Charter of the Audit and Finance Committee  
of Dunham Public Library

1. PURPOSE: The Board of Trustees of Dunham Public Library (the “Board”) has constituted and established this Audit and Finance Committee (the “Committee”) pursuant to a resolution passed at the Board’s regularly scheduled meeting on January 13, 2009. The purpose of this Committee is to assist the Board and the library Management in the oversight of the annual audit and internal and financial accounting procedures.

2. AUTHORITY: The Committee is independent of the Board of Trustees and advisory in nature. The ultimate responsibility for review and action on audit and financial reports remains with the Board.

3. MISSION AND RESPONSIBILITIES: The Committee’s powers and responsibilities shall include the following:

3.1 Review and recommend to the Board, the independent accountants to be nominated, including the compensation of the accountants and their qualifications;
3.2 Provide oversight of the external audit itself;
3.4 Review the engagement letter with the external auditor prior to the commencement of the external audit;
3.5 Review the external auditor’s assessment of the library’s internal controls;
3.6 Review corrective action plans and necessary improvements based on audit findings and recommendations received from the auditors;
3.7 Review any corrective plan prepared by management and assist with its implementation;
3.8 Review the 990 prior to submission;
3.9 Review Dunham Public Library’s internal controls, including the overall control environment and accounting and financial controls;
3.10 Review internal processes for determining and managing key financial statement risk areas.

4. ADMINISTRATIVE ACTIVITIES:
4.1 Hold meetings at least semi-annually or more frequently as necessary to carry out its responsibilities;
4.2 There shall be minutes prepared for each meeting;
4.3 Review this Charter on an annual basis and submit any proposed revisions to the Charter to the Board of Trustees for approval.

5. COMPOSITION:
5.1 The Committee shall be appointed annually by the Board of Trustees;
5.2 The Committee shall be comprised of at least three individuals;
5.3 The Board Treasurer and Library Director shall attend Committee meetings ex officio;
5.4 Members should have a basic understanding of finance and accounting;
5.5 Independence: The following individuals are not eligible to be a Committee member;
   5.5.1 Someone currently employed by the library or employed in the past two fiscal years by the library;
   5.5.2 Someone currently or previously providing services contractually within the past two fiscal years;
5.5.3 Someone of the immediate family (spouse, children and their spouses) or close family (parent, sibling, or non-dependent child) who is, or has been in the past two fiscal years, employed by the library, provides direct contractual services to the library or provides contractual services to the library in the role of administrator or board member of the organization with whom the contract exists;

5.5.4 Someone who is a partner, controlling owner, or executive of a for profit business to which the library made or received payments of $50,000 or more in any of the past five years.

6. **Confidentiality:** During the exercise of duties and responsibilities, members of the Committee may have access to confidential information. Committee members shall maintain confidentiality of all such information.

7. Members serve without compensation.