



SUBJECT: Audit Committee Charter

PAGE 1 of 2

REVISED: 03.19.24

EFFECTIVE: 06.06.24

**PURPOSE:**

The purpose of the Audit Committee (“AC”) of Sonoma Valley Health Care District (“SVHCD”) is to assist the District Board of Directors (“BOD”) in its annual audit process. Subject to the ultimate authority of the BOD, the AC shall select, engage and oversee SVHCD’s outside auditor and approve and oversee all audit services provided by SVHCD’s outside auditor.

**RESPONSIBILITIES:**

Subject to the ultimate authority of the BOD, the AC shall:

- Recommend the appointment and compensation of the independent auditor and provide oversight of the annual financial audit process. The independent auditor shall report directly to the AC.
- Establish policies and procedures for the review and pre-approval by the AC of all auditing services.
- Review and discuss with the independent auditor: (a) its audit plans and audit procedures, including the scope, fees and timing of the audit; (b) the results of the annual audit examination; and (c) the annual financial statements audited by the independent auditor.
- Review the annual financial audit with management and determine whether to recommend the acceptance of the audit to the BOD.
- Review with the independent auditor its judgment as to the quality, and not just the acceptability, of SVHCD’s accounting practices and internal controls, and such other matters as are required to be discussed with the AC under generally accepted auditing standards.
- Review with the independent auditor and management any changes or improvements in financial or accounting practices that are necessary or desirable, and the extent to which any changes or improvements previously approved by the AC have been implemented.
- Review with the independent auditor any audit problems or difficulties and management’s response to these issues.
- Oversee the resolution of any disputes between management and the independent auditor if and when such disputes arise.



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PAGE 2 of 2

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## Rules

Charter Review:	Will be reviewed/revised annually. Changes will be submitted to the BOD for approval.
Authority to Act:	In compliance with the Charter and as directed by Executive Leadership and the BOD
Meeting Schedule:	At least two meetings per year. Meetings may be held at irregular intervals.
Voting Members:	The AC shall have three voting members. <ul style="list-style-type: none"><li>• Two BOD members (BOD Chair &amp; BOD Treasurer)<ul style="list-style-type: none"><li>○ One of whom shall be the AC chair, the other the vice-chair</li></ul></li><li>• Two members of the public.</li></ul>
Quorum Requirement:	Half plus one member present.
Chair:	The BOD Chair shall serve as Chair of the AC, unless the BOD specifically acts to delegate otherwise.
Composition:	Voting Committee Members, Presenters, Sonoma Valley Hospital CEO and Sonoma Valley Hospital CFO.

## AC Membership

The AC's membership is subject to the Approval of the BOD. The BOD shall recruit members of the AC that are representative of the diverse constituencies of SVHCD.

## Public Participation

All AC meetings shall be announced and conducted pursuant to the Brown Act. The general public, patients, and their families and friends, Medical and SVH Staff are always welcome to attend and provide input. Other BOD members may attend but only as "observers" as defined in the Brown Act.