

Internal Audit Committee
Mandate Document

1. Title

Servas International - Internal Audit Committee (SI IAC)

2. Purpose

The purpose of the Internal Audit Committee is to carry out the duties listed in the Financial Operating Procedures (FOP) document. The Duties of Internal Audit Committee include internal auditing of Servas International financial statements and verification of all financial transactions, as well as ongoing monitoring of actual-to-budget financial statements plus any other duties listed in the FOP.

3. Scope and Responsibilities

The scope and responsibilities of the Internal Audit Committee are listed in the Financial Operating Procedures and include the following:

- 1- Review existing guidelines and procedures including fundraising policies and procedures.
- 2- Annual Review of each SERVAS Officer's Financial statements and activity reports – on money spent and/or received.
- 3- Collaborate with the SI Treasurer and External Auditor on financial matters related to SERVAS International.
- 4- Review the SI book keeping documentation whenever necessary. Ensure safe custody of the SI Assets with the respective custodians duly approved by the EXCO.
- 5- Review SERVAS Annual Financial Statements issued by the SI Treasurer for endorsement by the Internal Audit Committee. Checking the book keeping and expenditure receipts on a sample basis at least once a year.
- 6- Ensure that the SERVAS Annual Financial Statements have been audited and approved by an external auditing company or external professional auditor.
- 7- Review the modified three-year budget plan with comparison to the latest annual Financial Statements available and verification of its adherence to the guidelines agreed at the General Assembly on an annual basis.
- 8- Identify cost reduction opportunities of SI Budget for any kind of activities (ex Exco meetings, International Conferences, Area Conferences etc.) and provide suggestions to the Exco.
- 9- Provide SI Exco assistance with financial projects as requested.
- 10- Communicate the Internal Audit Committee findings, presenting the final audit report at the General Assembly after presenting it to SI Exco for comment and action. The audit report must be signed by the Internal Audit Committee Convener and must state the extent and result of the audit

Internal Audit Committee Mandate Document

(no complaints/individual complaints). It must bear the signature of the person(s) carrying out the audit.

11- Review important contractual agreements having financial implications entered into by Servas International and outside parties and advise the Exco, as well as present an analysis of the impact in the audit report.

12. To maintain checks and balances and to ensure the quality of audit.

4. Authority

The members of the Internal Audit Committee have the authority to conduct Internal auditing of Servas internal expenses, provide analysis, interpretation, and advice to SI Exco, as well as ongoing monitoring of actual-budget-interim financial statements.

If any complaints are received about the work of the audit committee, the EXCO must set up an AD HOC committee composed of accomplished accounting and audit professionals to review the work of the audit committee. The AD HOC committee will be established only for this purpose and their term will end when they provide a report to the EXCO with the findings and recommendations. The AD HOC committee may have 1 to 3 persons. EXCO shall present the report and any action based on the recommendations to the General Assembly or Distant Vote for further action.

5. Membership

The SI Internal Audit team will have 3 members. Members are elected by the General Assembly and the term length is 3 years – from one general assembly to the next. It is essential that members elected to this committee should have adequate accounting and auditing experience to perform their duties.

6. Meeting Procedures

The committee will meet on an as needed basis and all decisions are made by consensus among team members.

7. Funding

There are no funding requirements, as the committee does not have expenses directly associated with it. If any funds are necessary, the committee will request funds with approval of SI Exco.

8. Reporting

The Internal Audit Committee will prepare an Internal Audit report every year and present it to the Board (SI-Exco). The Internal Audit Report and SI Response to the Internal Audit Report will be presented each year to the General Assembly or the Distant Vote, as the case may be.

Internal Audit Committee
Mandate Document

Administratively, the Internal Audit Committee reports to the SI Board (Executive Committee) through the SI President.

9. Review and Amendments

This document will be reviewed and amended periodically, as necessary, with input from the SI-Internal Audit Committee itself. Any changes will be presented to SI-Exco for approval at one of their meetings.