

PACRAO AUDIT COMMITTEE DESCRIPTION AND PROCEDURE

(Revised August 11, 2026)

AUDIT COMMITTEE PURPOSE

To provide assurance to the membership of the Pacific Association of Collegiate Registrars and Admissions Officers (PACRAO) that the Association's financial transactions are appropriately maintained, an Audit Committee shall be appointed by the Nominations and Elections Committee (N&E) to review the Association's financial practices.

AUDIT COMMITTEE MEMBERSHIP

The Audit Committee is a standing committee comprised of two members. The N&E will solicit nominees for membership on the Audit Committee and will appoint members from among the nominees. Initially, one member is appointed for one year who serves as Chair and one member for two years who serves as Secretary the first year and as Chair the second. Thereafter, one member is appointed each year for two years, serving as Secretary the first year and Chair the second. Each member of the Audit Committee must be independent of other duties within PACRAO. Therefore, no member of the Audit Committee may hold any other elected or appointed position within the Association as an officer or as a member of any other standing committee for the duration of their service on the Audit Committee.

The PACRAO President-Elect will inform the new member(s) of the Audit Committee of their appointment, will secure a commitment from the new member(s) to attend the annual conference during their membership, and will facilitate an initial meeting or teleconference so the Audit Committee members can become acquainted and review their duties.

In the event of an Audit Committee member resignation or inability to fulfill duties, a replacement may be appointed by the N&E committee.

AUDIT COMMITTEE SCOPE

The Audit Committee will review procedures followed by the PACRAO Treasurer and by the Local Arrangements Committee Treasurer in the receiving and disbursing of funds and in the maintenance of financial records. Based on the review, the Chair of the Audit Committee will prepare a written report for the Executive Board of findings and recommendations regarding PACRAO's financial operations.

AUDIT COMMITTEE RESPONSIBILITIES

The Audit Committee Chair will coordinate with the Executive Board to determine a day, time, and place for an initial audit meeting and any subsequent meetings; will notify the Secretary of the Audit Committee of the day, time, and place of the meetings; will conduct the meetings; may assign pre- or post-meeting tasks to the Secretary; and, with contributions from the second Audit Committee member, will assemble and submit the

annual report on PACRAO stationary to the President-Elect by May 31 prior to the summer meeting of the PACRAO Executive Board. This report will be posted as an addendum to the Minutes of the Summer Executive Board Meeting and to the financial document section of the PACRAO website. At the annual Business Meeting, a verbal summary of the report will be presented by the Audit Committee Chair, or the Chair's designee, and an update will be provided on the resolution of any recommendation or finding.

The Audit Committee Secretary will take notes during all audit meetings to record findings made in preparation for a meeting, made during a meeting, or action items to be completed by Audit Committee members following a meeting. The Secretary will distribute these notes following all meetings for review by the Audit Committee Chair.

AUDIT COMMITTEE MEETINGS

The Chair of the Audit Committee will convene the Audit Committee at a time when the PACRAO Treasurer and the LAC Chair or LAC Treasurer, if one is appointed, can make available to the Audit Committee their respective checkbooks, bank statements, invoices, receipts, and other financial statements or supporting documentation regarding financial transactions for the preceding fiscal year. The Treasurers will also, at a time to be arranged, make themselves available to the Audit Committee to answer questions regarding their respective financial records or procedures.

The Audit Committee will sample the following items:

- Membership dues against deposits
 - Description: Validate that records of deposits into the appropriate PACRAO bank account correspond accurately to records indicating membership dues were paid; also, verify that the current membership roster published on the PACRAO website accurately reflects those members
- Receipts against deposits
 - Description: Validate that records of deposits into the appropriate PACRAO bank account correspond accurately to records showing payments to PACRAO for purposes other than membership dues.
- Invoices received against checks (excluding reimbursements)
 - Description: Validate that records of payments being issued from PACRAO bank accounts correspond accurately to records of invoices received.
- Reimbursements for travel and other Board member and volunteer expenses
 - Description: Validate that reimbursements for expenses incurred by PACRAO members for business conducted on behalf of PACRAO were made according to established policies and procedures and are supported by accurate documentation.

- Checks and deposit slips against bank statements
 - Description: Validate that records of deposit into the appropriate PACRAO bank account correspond accurately to check or deposit slip records of payments received.
- Financial statement balances against bank statements
 - Description: Validate that PACRAO account balances indicated in the Statement of Financial Position for all four accounts matches the account balances shown for those accounts (for the same timeframe) in PACRAO bank account statements.

The Audit Committee reviews the financial statement balances for *all* PACRAO accounts. Committee members use judgment in selecting the number of transactions to sample for the other areas but, when possible, should sample at least three transactions for each area using random selection. The Audit Committee uses professional judgment to consider selecting a higher number of transactions to sample for areas where risk level is determined to be elevated (e.g., due to multiple discrepancies, inaccuracies, or omissions identified in the current year's sample or in the most recent year's audit report). This sampling will allow the Audit Committee to determine the general condition and organization of the financial records to determine if PACRAO's financial operations are well-managed and to make recommendations to the Executive Board for the improvement of financial operations within PACRAO.

The Audit Committee will be provided with the most recent Treasurer's report and the most recent external Compiled Financial Statements.

The Audit Committee will also review financial reports posted to PACRAO's website to confirm that recent, understandable information is available to the membership, including at least three years of historical financial documents accessible without request.

In the course of the Audit Committee's review, the Committee may also consider the budgetary processes within PACRAO and may discuss and report upon issues which could make financial planning or transactions within PACRAO more transparent, understandable, or easier to manage.

The Audit Committee will also review this document annually so that it might be improved for the benefit of the next Audit Committee.

PROCEDURE TIMELINE

Audit Committee Makeup: Audit Committee Chair (one-year term) and Secretary (two-year term, succeeding to Chair in second year).

Annual Conference. N&E Selection Meeting. N&E appoints a Secretary and informs the Executive Board.

134 November. President-Elect notifies Audit Committee members of their appointment.
135
136 November -January. President-Elect arranges a meeting with the Audit Committee to
137 review duties and schedule.
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139 February–March. Audit Committee meets with PACRAO Treasurer, LAC Treasurer
140 and others as deemed necessary to carry out the audit.
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142 April-May. Audit Committee prepares written report and submits to the Executive
143 Board via the President-Elect by May 31.
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145 June-July. Executive Board reviews report and appends to summer meeting minutes.
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147 July-September. Executive Board makes any corrective action and notifies Audit
148 Committee of progress.
149
150 October. Audit Committee finalizes their report including updates on any corrective action
151 taken by the board July-September and submits the report to the President- Elect and
152 Secretary prior to the Annual Business Meeting. The report will be included in the
153 meeting minutes.
154
155 Annual Conference. N&E solicits nominations for the Audit Committee Secretary (two-year
156 term, succeeding to Chair in second year).
157
158 Annual Business Meeting. Audit Committee Chair or designee, provides verbal
159 summary of findings to the membership. Treasurer provides verbal summary of
160 response to findings and corrective action taken.
161
162 Process repeats.