

EASTERN MAINE HEALTHCARE SYSTEMS GOVERNANCE POLICY

Title: EMHS Audit and Compliance Committee Charter

Modifiable

Non-Modifiable

No: 28

Supersedes No: 28

Approved by the Board: 10/08/14

Dated: 12/16/10

Applicable to: EMHS Home Office EMHS For-Profit Entities
 All EMHS Entities EMHS Hospitals
 EMHS Provider Entities EMHS Tax-Exempt Entities

Responsible Executive: M. Michelle Hood
President & CEO

Approved by: _____
Signatures on file M. Michelle Hood
President & CEO

Approved by: _____
Evelyn S. Silver, PhD
EMHS Board Chair

Related Policies

EMHS Bylaws, Article VI, Sections 1, 2, and 10

Purpose

The Audit and Compliance Committee (Committee) of the Board of Directors shall assess the integrity of EMHS' financial statements, and of EMHS' system of internal controls regarding finance, accounting, legal compliance, and corporate compliance.

Responsibilities

In meeting its responsibilities, the Audit and Compliance Committee shall:

- Review the annual financial statements and the related accounting policies and financial disclosures.
- Review internal financial and accounting controls.
- Appoint and Oversee Independent Auditors.
- Oversee the corporate compliance function.
- Review Compliance with legal and regulatory requirements.
- Oversee the internal audit function.
- Oversee management's review of the adequacy of EMHS fraud prevention and detection activities.
- Review the Committee Bylaws and Charter, at least annually, and recommend to the Board any necessary amendments.
- Perform any other activities consistent with the Charter, EMHS' by-laws, and governing law, as the Committee or the Board deem necessary or appropriate.
- Review and approve the Audit and Non-Audit Services Policy at least once every two years.

Composition

The Audit and Compliance Committee will consist of a least five members, all of whom must be independent and none of whom may be an officer or employee of the Corporation, its subsidiaries or affiliates; and who meet the qualifications expressed in the EMHS Bylaws. All members of the Committee shall have a working familiarity with basic finance and accounting practices, and at least one member of the Committee shall be a “financial expert” as determined by the Board. Committee members may enhance their familiarity with finance and accounting by participating in educational programs conducted by the Company or an outside consultant. The Committee has the authority to meet independently of management with its internal and external auditors and to select and engage outside auditors and other consultants.

Meeting Schedule

The Committee shall meet at least four times annually, or more frequently as circumstances dictate. The Committee shall meet at least annually with EMHS’ Independent Auditors to review the scope and nature of the annual audit plan and the audit results. The Committee shall maintain minutes of all its meetings to document its activities and recommendations.