



WSTIP Policy Manual			
Document Name:	Audit Committee	Date Adopted:	05/22/08
Category:	Governance	Revision Date:	03/24/2011
Page:	1 of 2		

Audit Committee

Purpose

To assist the Pool's Board and Executive Committee in their oversight of the financial conditions of the Pool.

Authority

- 1. Interlocal Agreement, Sections 3 (Powers) and 4 (Board of Directors); and
- 2. Bylaws, Article V, Section 24.

Policy Statement

An Audit Committee is hereby established. The purpose of the Audit Committee is to assist the Executive Committee and Board with their oversight responsibilities for the financial integrity, legal compliance, and adherence to financial management guidelines.

The Audit Committee shall consist of all members of the Executive Committee plus the Treasurer if he or she is not a member of the Executive Committee. The President shall chair the Audit Committee. The Pool's executive and deputy directors shall attend all meetings. Committee members shall be free from any relationship that, in the opinion of the President, would interfere with the exercise of his or her independent judgment.

The committee shall regularly report to the Executive Committee and executive director and may report to the Board and as it deems necessary. The committee shall report to the Board at least once per year.

The chair shall call meetings as necessary and shall establish the time, date, and place thereof. The committee shall meet at least two times annually.

Amendment

This policy may be amended by the Executive Committee.

Responsibilities

The committee's primary responsibilities are to:

- 1. Serve as an independent and objective monitor of the Pool's financial reporting processes and internal control systems;
- 2. Review the audits of outside accountants and Pool staff;
- 3. Serve as a conduit for communications between the outside accountants, the Pool's management, and the Board;
- 4. Assess deficiencies, issues of non-compliance or poor practices, and make recommendations for corrective action; and

5. Assess the financial condition of any captive insurer in which the Pool has a financial stake.

In accordance with these responsibilities, the committee may:

1. Review any documents, processes, or procedures related to the reporting of the Pool's financial condition;
2. Review the use of outside accountants, their fees, and effectiveness;
3. Meet with the Pool's staff, regulatory bodies, or auditors to review any issues regarding adherence to policies and practices; and
4. Conduct independent investigations of the Pool's finances. The Pool shall provide adequate resources for such investigations.

On an annual basis the committee may:

1. Review the code of ethics;
2. Review financial management guidelines;
3. Review activities, organizational structure, and qualifications of the internal auditors to determine the effectiveness of internal controls;
4. Assess the independence of the Pool's outside accountants;
5. Meet separately or collectively with management, outside accountants, and internal auditors to review any difficulties encountered during the course of any financial audit.

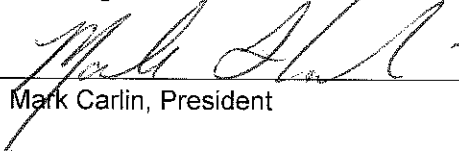
Policy History

The Pool has had many audit committees since its inception. The Audit Committee hereby established shall be the Pool's only audit committee. All other audit committees are hereby abolished.

Passed this 24 day of March, 2011


Executive Committee

Washington State Transit Insurance Pool



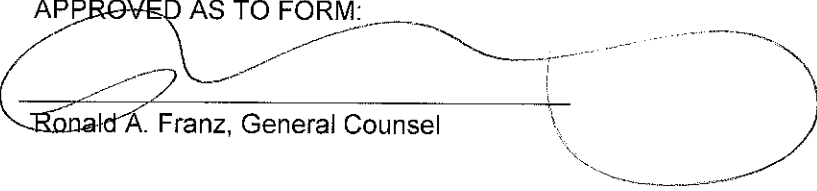
Mark Carlin, President

ATTEST:



Ben Foreman, Secretary

APPROVED AS TO FORM:



Ronald A. Franz, General Counsel