



Annenberg Foundation Governance

Audit Committee Charter

The audit committee shall represent and assist the Board in its general oversight of the Foundation's accounting and financial reporting processes, audits of financial statements, internal control and audit functions.

The audit committee may include non-Board members. If the Foundation establishes a finance committee, the audit committee may include members of the finance committee, but the chair of the audit committee may not be a member of the finance committee, and members of the finance committee must constitute less than half of the audit committee. The audit committee may not include any member of the staff, including top management, or any person who has a material financial interest in any entity doing business with the Foundation. If audit committee members are paid, they may not receive compensation in excess of the amount received, if any, by members of the Board of Directors for service on the Board.

The duties of the audit committee are as follows:

- Recommending to the Board of Directors the retention and termination of the independent auditor;
- Negotiating the compensation of the auditor on behalf of the Board;
- Conferring with the auditor to satisfy the committee members that the financial affairs of the Foundation are in order;
- Reviewing and determining whether to accept the audit; and
- Approving performance of any non-audit services to be provided by the auditing firm.

The financial audit must be performed by an independent certified public accountant in accordance with generally accepted accounting principles. If the audit firm also performs nonaudit functions for the Foundation, the firm and its auditors must conform to the standards for auditor independence set forth in the Government Auditing Standards issued by the Comptroller General of the U.S.

Audited statements (those required by the CNIA, as well as those prepared by the Foundation not required by the CNIA) must be made available for inspection by the Attorney General of the state of California and the general public within nine months after the close of the fiscal year to which the statements relate. The CNIA adopts the same rules for public disclosure already applicable to IRS Form 990. Thus, audited statements must be made

available to the public for a period of three years, both at the Foundation's principal and any regional or district office during regular business hours; and by mailing a copy to any person who requests it, in person or in writing; or, alternatively, by posting the audited statements on the Foundation's website.