

D-R-A-F-T 1.0

System Audit Committee Charter

Purpose or Mission Statement

The purpose of the System Audit Committee is to evaluate the current Operations System for use by the LCA and suggest changes which will promote communication and response to the membership when they have a concern. Also this would create clarity of job descriptions, policies and procedures for incoming board members. This will allow LCA to be assured that items that could end in lawsuits are managed so that legal liabilities are minimized while public trust and goodwill are maximized.

Type of Committee and Area of the Program

We propose this committee to be a special committee to end with the implementation of a revised operations system. However, LCA may elect to make this a standing committee for the purpose of supporting an ongoing internal audit/quality management system.

Membership

We would expect this committee to initially have up to 5 members. A Chair, a Co-Chair with 3 supporting members to be trained in operations systems audits and management. We would like to be able to recruit membership from both Leilani I and Leilani II, as well as to receive legal advice from the LCA attorney in the form of clarifications of State laws and governing document requirements. All members shall serve as volunteers with no payment or benefits (other than office space and equipment use needed to support committee activities).

Chairperson

Initially, Henrietta (Kaonohiokalani) Jeremiah and Debra Preston would serve as co-chairs of this committee (appointed by the LCA BOD) for a term of no more than one year. After that time, if LCA cares to maintain the committee as long standing, chairpersons could be appointed by a majority of the board or by vote of the committee as determined by the LCA BOD at that time.

Activities, Duties, and Responsibilities

This committee shall be limited in scope to the audit, evaluation, and suggestions for improvements of the LCA Operations Systems. The Committee shall conduct a full systems audit/analysis of current governing documents, policies, and procedures and their compliance

with current State and county laws as well as compliance with recognized good business practices as called out by the Uniform Commercial Code (UCC).

Training would consist of research methods, familiarization with laws and standards, creation of audit checklists and documentation of findings. We will go over how to follow the paper trail to determine proper disposition of issues as well as compliance. I think that our proposed committee members have enough background that we will need minimal training...2 to 4 hours.

The Committee will be assisting in creating folders with job description, policies and procedures with standard forms and letters to be incorporated in binders that will guide BOD members with their specific duties.

The committee would also be helping in the creation of "Job" procedures/policy binders for all employees and an information booklet for residents.

Delegation of Authority

This committee shall have the authority to access all LCA documentation for purposes of completing a system audits. This includes unlimited access to LCA's office and files as well as the authority to interview all board members and employees. This committee shall have the authority to request access and advice from LCA's legal counsel. This committee shall have the authority to create or revise LCA policies and procedures subject to BOD review and approval.

Standard Committee Procedures

This committee will initially meet once to twice a week for training, audit activities after training would be expected to require 1 to 2 days a week for approximately 3 months. At that time findings and suggestions will be supplied to the board. 90 days would be given for the approved suggestions to be implemented and then the committee would re-audit to ensure corrective actions and training are completed. New incoming issues would also be audited to ensure proper actions are being implemented. We expect the initial audit, revamping of the system and re-audit to be completed within 10 months.

Formalities

This Charter is authored by Debra Preston.