

Audit Committee Public Member Selection Process

Summary of Current Guidance

April 12, 2021

I. Appointment to the BART Audit Committee by a Majority of Board of Directors

- A. **BART Audit Committee Charter Section 3.2:** “Public members serving on the Audit Committee shall be appointed by a majority of the full Board of Directors through an application process following current Board rules.”

II. Term of Office

- A. **BART Audit Committee Charter Section 3.2.2:** “Public members shall serve two-year terms and are eligible to serve up to six years total. To the extent possible, appointments shall be made so no more than one term of office expires in any one year”.

III. Application Process Guidance

- A. **General—Board Rules Section 3.3(b) states:** “The Audit Committee shall be composed of five members, including three Board members and two public members with governmental financial expertise”.
- B. **Other Guidance—**No other application process guidance in the Board Rules document but can look to other BART advisory committees with public members for templates.
 - 1. BART Measure RR Bond Oversight Committee
 - 2. BART Earthquake Safety Oversight Committee
 - 3. BART Transit Security Advisory Committee

IV. Applicant Requirements (Per Section 3.2.1 of Audit Committee Charter)

- A. **Public members shall possess the independence, experience, and collective technical expertise necessary to carry out the duties of the Audit Committee as demonstrated by the following criteria . They shall have:**
 - 1. **Expertise:** Have expertise in governmental accounting, financial management, or performance auditing, or conducting investigations of fraud, waste, or abuse.
 - 2. **Technical Knowledge:** Have technical knowledge of accounting, financial or performance auditing, financial reporting, and internal controls, including an understanding of and ability to apply the Government Auditing Standards, accounting standards issued by the Government Accounting Standards Board, and a recognized internal control framework.
 - 3. **Professional Certification:** Possess a relevant professional certification, such as Certified Public Accountant, Certified Internal Auditor, Certified Fraud Examiner, Certified Inspector General, Certified Internal Controls Auditor, Certified Information Systems Auditor, or a similar certification.
 - 4. **No conflicts/recent affiliations:** Within the past 10 years and other than in their role as a committee member, have no affiliation with the District or with a firm that has done business with the District.

- B. Public members shall be residents within the District's boundaries.
- C. Public members are subject to conflict-of-interest laws and must file an annual Form 700, Statement of Economic Interests, with the District Secretary.

V. Draft of proposed application attached for discussion and possible action