



American Culinary Federation

Internal Audit Committee: Policies and Procedures

American Culinary Federation, Inc. • 180 Center Place Way • St. Augustine, FL 32095 • Toll-free: (800) 624-9458 • Fax: (904) 940-0741 • www.acfchefs.org

The purpose of the Internal Audit Committee shall be to assure the accuracy of the ACF's financial reports, the results of operations and plans, the effective management and control of its funds and assets, and compliance with applicable law. The certified public accounting firm will be charged to audit the books and transactions of ACF and its subsidiaries to ensure that they meet with government guidelines and generally accepted accounting practices.

1. About ACF and these Procedures

The American Culinary Federation ("ACF") is a nonprofit New York corporation that is tax exempt under Section 501(c) (6) of the Internal Revenue Code and is the premier professional chefs' organization in North America. ACF's mission is to make a positive difference for culinarians through education, apprenticeship and certification, while creating a fraternal bond of respect and integrity among culinarians everywhere.

These Procedures are intended to specify the appropriate action to be taken by ACF in response to alleged violations by ACF members of ACF's Code of Ethical Conduct (the "Code"), the ACF Bylaws, and/or ACF policies and procedures, and to ensure due process under the law as set forth in these Procedures.

A. Member Election Process

The Internal Audit Committee shall be considered an elected committee as stipulated in the American Culinary Federation bylaws.

The elected committees shall each have five members, one from each region. Each respective member has been elected by their chapter presidents within their region. The chair shall be elected by the Board of Governors. The chair cannot run for both chair of respective committee and serve as a regional committee member in the same term.

Elections are held on odd years when there are no National Officer elections. During these periods, members in good standing will receive notification of available positions and the election process. Intent to run submissions are open for a designated thirty day period prior to regional ChefConnects.

B. Voting Procedures:

- Electronic voting is open for one week following the deadline for intent to run submissions.
- In-person and proxy voting will happen at the business meeting at regional ChefConnects.

The ACF National Office does not regulate or participate in campaigning for any special elected committees.

Special Elections:

If an elected committee member is not able to fulfill his or her term, there will be a Special Election held for that particular region.

C. Special Election Procedures:

- There will be a notice to all professional members in the region in which the vacancy is located.
- There will be a two week designated intent to run submission period.
- There will be a one week designated electronic voting period in which all Presidents in the region of vacancy will be permitted to vote.
- Winners will be notified within seven days of election and terms start immediately after and run through the original term.

D. Qualifications

The Nominations and Elections Committee shall be comprised of five members as stipulated in the American Culinary Federation bylaws. They will be subject to the following qualifications:

- They shall be current paid members or exempt from dues and maintain such status while holding office.
- They shall be a Professional Culinarian or Senior Professional Culinarian member.
- They shall be a member of a chapter within the region to which they have been elected to serve.

Internal Audit Committee: Policies and Procedures

American Culinary Federation, Inc. • 180 Center Place Way • St. Augustine, FL 32095 • Toll-free: (800) 624-9458 • Fax: (904) 940-0741 • www.acfchefs.org

- The committee members shall not hold any other elected national office.

E. Term of Office

The committee members shall serve a two-year term, with the option of running for subsequent terms. Terms start in years that do not normally have elections for Regional Vice President's, National Treasurer, National Secretary, or National President.

F. Attendance Policy

All Committee members are expected to participate in the annual audit.

CEHs will be awarded at the end of each term. Committee members who do not participate in the audit will not be awarded CEH's.

All committee members must be a member in good standing.

2. Duties

The ACF Internal Audit Committee is charged to perform an annual audit of the files of the ACF and its subsidiaries not less than 60 days and no more than 90 days before the national convention. The full Committee is to meet at the ACF national office annually from one to three days, exclusive of arrival and departure date to complete the audit of ACF and its subsidiaries or at any place for a period necessary to complete any special audit. The committee may be requested to perform special audits by the ACF President or a majority of the Board of Directors or Board of Governors.

The Chair shall be charged with coordinating the annual audit and development of the reports. The Chair shall help conduct the audit and make assignments of areas to audit by members of the Committee. The Chair shall represent the Committee in all meetings of ACF and make all reports.

- The regional committee members shall help conduct the audit and aid in the development of the final report.
- The ACF National Treasurer shall help conduct the audit and serve as liaison with the Board of Directors. The ACF National Treasurer shall assist the committee with questions on budget.

3. The Audit Shall Include:

- Review ACF policies relating to compliance with laws, regulations, ethics, conflicts of interest and the investigation of misconduct and fraud.
- Review the financial statements, including interim financial statements, auditor's opinion, management letters, and program costs and benefits.
- Review all contracts entered into by ACF and its subsidiaries to ensure that they were properly bid and were entered into in accordance to policies and procedures.
- Inquire of management and outside auditors about variances with plans and past performances.
- Inquire about the existence and substance of any significant accounting accruals, reserves or estimates made by management that had or may have a material impact on the financial statements.
- Review the prior year's federal income tax returns to determine whether there are any significant items that have been or might be disputed by the Internal Revenue Service
- Review departments' and subsidiaries' expenditures in comparison to approved budget or amendments.
- Meet as needed with the American Culinary Federation General Counsel to discuss legal matters that may have a significant impact on the ACF.

4. The Committee, Upon Completion Of Its Audit, Shall Prepare:

- The Committee will prepare a draft report during the audit and the Chair will assign members with sections to refine and report back to the Chair with a final draft.
- An audit report with recommendations will be sent to the Board of Directors at least 60 days but not less than 30 days prior to the national convention. The Board of Directors may respond in writing to the report within 14 days of receiving the Internal Audit report.

Internal Audit Committee: Policies and Procedures

American Culinary Federation, Inc. • 180 Center Place Way • St. Augustine, FL 32095 • Toll-free: (800) 624-9458 • Fax: (904) 940-0741 • www.acfchefs.org

- The Chair shall present the Committee's report to the Board of Governors, together with the Board of Directors' response, at the national convention.
- An executive summary of the full report shall be presented to the members of the Board of Governors by the Internal Audit Committee Chair (or designated member) at the information session of the Board of Governors meeting. There shall be copies, available upon request, of the full report for members of the Board of Governors.
- The Committee, upon finding possible fraud by a staff member, shall gather the relevant information and turn the matter over to the ACF President and the Executive Director for in-depth investigation.
- The Committee, upon finding possible fraud by an officer (elected or appointed), shall gather the relevant information and turn the matter over to the ACF President (in the case the officer is the President, information shall be given to the ACF National Treasurer) and prepare a report with backup to the Chair of the Ethics Committee for in-depth investigation.
- The Committee, upon finding any financial fraud or error, shall prepare a report to the ACF National Treasurer who is charged with the collection and disbursement of ACF funds.

5. The ACF National Office Shall Send To The Committee Members No Later Than The End Of Second Quarter Each Year:

- The certified public accounting firm's prior year audit report for the period ending December 31 for ACF and its subsidiaries, along with a copy of that year's budget.
- The current year's budget with the most recent unaudited financial report for the current year.
- Should the Committee wish to speak to staff members, a list must be presented to the Executive Director prior to doing so.
- All conversations between committee members and staff members should be limited to only internal audit concerns.

6. The ACF National Office Will Have The Following Items Available For The Committee:

- Copies of all financials for ACF and its subsidiaries since the previous audit with backup documentation.
- Copies of all contracts for ACF and its subsidiaries that have been entered into or renewed since the last audit.
- Copies of the minutes of the meetings of ACF and its subsidiaries since the previous audit.
- A copy of the last year's audit committee report.
- Copies of the tax returns for ACF Board of Directors and its subsidiaries for the year ending the prior December 31.

7. Confidentially

The Committee members shall sign a statement indicating which copies of the documents they have in their possession and that any confidential documents will be kept as such and not shared with anyone other than other Internal Audit Committee members. When the Internal Audit Committee members are finished with the copies of the documents, they will leave them in the designated meeting room. No documentation may be removed from the ACF National Headquarters.

8. Expenses

The ACF Board of Directors shall approve a budget for the Internal Audit Committee to cover the cost of travel, administrative and communications work.