



08 August 2023

Oversight

## OVERSIGHT COMMITTEE CHARTER

### Purpose

The purpose of the Oversight Committee is to assist the Board of Directors (BoD) with performance of duties and responsibilities aligned with the Swan Lake Estates Homeowners' Association (SLEHOA) covenants and bylaws. The BoD may amend this charter as necessary.

### Responsibilities and Duties

In lieu of an external or internal audit mechanism, the Oversight Committee will oversee the integrity (moral, ethical, legal) and effectiveness of SLEHOA financial reporting, performance reporting, risk management, and internal controls.

1. **FINANCIAL REPORTING:** Review and reconcile banking statements and SLEHOA documents as to receipts of income and disbursements of expenses to include proper allocations to assets, liability, and equity accounts.
2. **PERFORMANCE REPORTING:** Review and provide advice on the procedures for assessing, monitoring, and reporting performance as measured by budget execution.
3. **RISK OVERSIGHT AND MANAGEMENT:** Review and provide advice on managing risk associated with individual projects, program implementation, and activities.
4. **INTERNAL CONTROL:** Review and provide advice on internal controls regarding separation of duties, conflicts of interest, business continuity management plan, and compliance with established policies and procedures.

### Relationship to the SLEHOA Board of Directors

The Oversight Committee is a standing committee subordinate to the BoD. The committee will present specific written recommendations to the BoD as appropriate. The BoD may disband and discontinue the committee, as well as appoint or dismiss any committee member, with or without cause. The BoD may act and/or make decisions with or without involving the committee and to act and/or make decisions which are consistent with and/or contrary, in whole or in part, to any committee recommendations.

### Compliance

The Oversight Committee will not obligate SLEHOA financially or legally in any manner e.g., contract for services, hire contractors, borrow money, purchase equipment or supplies, or approve such a request on behalf of the BoD outside of the approved annual budget without approval by the BoD.

**Confidentiality**

The Oversight Committee will not disclose any privileged or confidential information acquired as part of its responsibilities and duties. The Committee Chair is responsible for immediately reporting any breach of confidentiality to the BoD.

**Membership**

The Oversight Committee will have a minimum of three and maximum of five SLEHOA members in good standing. Due to the nature of the duties and responsibilities, no member of the oversight committee will simultaneously hold a position as an officer or director of SLEHOA. Recommended qualifications are a degree in a business-related major or experience in management, operations, or customer contact, or written recommendation from two SLEHOA members in good standing.

**Meetings and Structure**

The Oversight Committee will meet at least annually no later than March, or more frequently as circumstances dictate. The committee Chair will schedule all meetings. The presence of the committee Chair and two committee members will constitute a quorum. The Chair will prepare meeting agendas, preside over meetings, and coordinate reporting to the BoD. Committee meetings may take place in-person or virtually. The committee chair may invite SLEHOA directors, officers, or others to attend meetings and provide pertinent information. Committee recommendations, reports, products, and minutes will be available to SLEHOA members.

**Budget**

The Oversight Committee will include its operating requirements in the SLEHOA operating budget.

**Reporting**

The Oversight Committee will present an annual report to the BoD no later than May 31. The report will be updated with BoD responses until all actionable items are addressed. The committee will present an overview of the annual report to the general membership at the second quarterly membership meeting.