

**POLICY NO. 10-015**

**REVISION DATE: July 27, 2004**

**SUBJECT: Auditor Selection**

**I. PURPOSE**

To describe guidelines and responsibilities for selection of an auditor and to describe their relationship with the Cooperative.

**II. POLICY CONTENT**

**Selection and Retention of Auditor:**

The Board of Directors is responsible for annually engaging the services of a firm to provide audit and other accounting services to the cooperative. When making selection and retention decisions, the Board of Directors, in conjunction with the General Manager, will consider such factors as the relevant experience of the firm and staff, ability to provide guidance on issues outside the routine audit, fees, ability to perform needed work in a timely fashion, quality of work, ability to communicate clearly with the Board and Cooperative members and the ability to work cooperatively and effectively with management and staff.

**Duties:**

The auditors are engaged to audit the records and financial statements of the Cooperative annually. Such audit is to be performed in compliance with generally accepted auditing standards and in accordance with the requirements of the Cooperative's lenders. The auditors will prepare an audit report for the Board of Directors and for the Cooperative's lenders in conformity with general accepted accounting principles.

The auditors are also responsible for communicating to the Board of Directors internal weaknesses of which they become aware or any other matters or accounting functions, which they feel are appropriate.

In addition, the board may authorize the auditors to perform other auditing or accounting functions for the Cooperative. The General Manager is

authorized to request additional services from the auditors provided the fees for such services can be paid with funds available in an approved budget.

**Working Relationship:**

The auditor is authorized to work cooperatively with management, staff and other consultants in the performance of the audit functions. All Directors and employees are required to cooperate with, assist and provide necessary information to the auditors in the performance of their duties.

**III. RESPONSIBILITY**

The Board of Directors is responsible for selection and retention of the auditor. The General Manager may engage the auditors in some situations as described in the policy content above.

**ATTESTING:**

\_\_\_\_\_  
Secretary

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President

\_\_\_\_\_  
Date