This version of the IEEE Audit Committee Charter was last updated June 2015. See below for specific items within the charter.

I. General
The IEEE Board of Directors recognizes its oversight and guidance role within IEEE. The Audit Committee, is a committee of the Board of Directors and is utilized by the IEEE Board of Directors in the fulfillment of this oversight and guidance role. It reports to the Board of Directors as set forth in Bylaw I-305.1.

II. Purpose
The purpose of the Audit Committee is to provide assistance to the Board of Directors in fulfilling its legal and fiduciary obligations and responsibilities with respect to matters involving the accounting, auditing, financial reporting, and internal control functions of IEEE. In the fulfillment of said general purposes, the Audit Committee shall assist the Board of Directors in its oversight of (a) the integrity of the financial statements of IEEE; (b) the oversight of internal control matters and functions; (c) the oversight of IEEE’s relationship with its independent auditors; (d) the oversight of risk management; and (e) the oversight of regulatory and compliance matters. The Audit Committee will fulfill these responsibilities and duties primarily by carrying out the activities in this Charter.

III. Responsibilities and Duties
In carrying out its duties and responsibilities, the following should be considered within the authority of the Audit Committee:

A. Financial Matters

A.1 Oversee IEEE accounting and financial reporting, processes, policies, and practices, including the resolution of any disagreement between management and the independent auditors regarding financial reporting, for the purpose of preparing or issuing an audit report or related work.

A.2 Review the financial statements of IEEE and the results of the independent audit, including the audit of government grants and awards (A-133 audit), if any, underlying accounting judgments and estimates and the auditor's internal control recommendations to management and management's response.

A.3 Review the annual Form 990 and Form 990T and any other related federal, state or local tax returns/filings.

A.4 Review with management, the independent auditors and internal auditors the:

- communications required by professional standards
- acceptability, appropriateness, and consistency of application of accounting methods
- unrecorded adjustments and omitted disclosures
- reasonableness of judgments
- degree of aggressiveness or conservatism in applying accounting policies
- completeness and clarity of financial statements and related disclosures
- and any changes therein.

A.5 Review the conformity of the financial statements with generally accepted accounting principles.
B. Oversight of Internal Control Matters and Functions

B.1 Review and approve the internal audit function, including: (a) purpose, authority, and organizational reporting lines; (b) annual audit plan, budget, and staffing, and any changes thereto; (c) the charter for the internal audit function; and (d) the effectiveness of the internal audit function, including compliance by the internal audit staff with the Institute of Internal Auditors’ Standards for the Professional Practice of Internal Auditing.

B.2 Understand the scope of the review of IEEE’s internal controls and of financial reporting by the independent auditors and Head of Internal Audit and obtain reports on significant findings and recommendations, together with management’s responses.

B.3 Communicate with and review the activities and effectiveness of the internal auditors, including the review of internal controls relating to information technology security and controls.

B.4 Review the following areas with the Head of Internal Audit and such others as the Committee deems appropriate, (including in executive sessions): (a) the results of internal audits and any significant findings; (b) periodic reports by the Head of Internal Audit regarding an assessment of IEEE’s internal controls; and (c) any difficulties encountered in the course of the internal audits, including any restrictions on the scope of the internal audit function’s work or access to required information.

B.5 Review management’s representations covering integrity of internal controls and financial reporting systems.

C. Oversight of the Relationship with the Independent Auditors

C.1 Have the sole authority and responsibility to select, evaluate, compensate, and oversee the work of any accounting firm engaged for the purpose of preparing or issuing an audit report or performing other audit, review, or attest services for IEEE. The independent auditors shall report and be accountable directly to the Committee. The Committee shall have sole authority in its discretion to approve all audit engagement fees and terms and to terminate the independent auditor. The appointment of the independent audit firm and lead audit partner shall be considered annually by the Audit Committee. The Audit Committee shall then advise the Board of Directors of its decision to continue with or terminate the engagement of the independent audit firm. The lead audit partner shall be rotated at least every five years. The audit firm shall be rotated at least every ten years. The Audit Committee’s decisions regarding the use of the existing audit firm and lead audit partner versus the selection of a new firm and partner shall be summarized in the Audit Committee’s meeting minutes.

C.2 Confirm the independence of the external auditors in compliance with the independence rules of the American Institute of Certified Public Accountants (AICPA) and the U.S. General Accountability Office (GAO) standards via inquiries as to whether any additional relationships with or services provided to IEEE, beyond the annual audit engagement, could have an impact on the auditor’s objectivity and independence. Monitor such relationships and services to assure independence of the outside auditors.

C.3 Review the scope and planning of the audit prior to the commencement of the audit at one of the Audit Committee meetings as indicated in Section VI.A. The Audit Committee shall pre-approve all audit and non-audit services performed by the independent auditor. The Audit Committee may designate its Chair to represent the entire Committee for purposes of approval of non-audit services, subject to review by the full Audit Committee at the next regularly scheduled meeting.

C.4 Obtain and review at least annually a formal written report from the independent auditors delineating the auditing firm’s internal quality-control procedures and any material issues raised within the preceding five years by the auditing firm’s internal quality-control reviews, by peer reviews of the firm, or by any governmental or other inquiry or investigation relating to any audit conducted
by the firm. The Committee shall review steps taken by the auditing firm to address any findings in any of the foregoing reviews.

C.5 Ensure that there are policies of IEEE for hiring employees or former employees of the independent auditors.

C.6 On a regular basis, meet separately with the independent auditors to discuss any matters that the Committee or the independent auditors believe should be discussed in executive session.

D. Oversight of Risk Management

D.1 Review IEEE’s policies with respect to risk assessment and risk management, IEEE’s processes for assessing and addressing risks, and approve specific risk management policies as appropriate.

D.2 Discuss with management, including professional staff responsible for risk management, as appropriate, significant risks or exposures, and risk management policies related thereto, and assess the steps management has taken to monitor, mitigate, and control such risks to IEEE.

D.3 Review with the General Counsel and members of the Legal and Compliance Department, as appropriate, (a) any legal matters (including major legislative or regulatory developments) that may constitute or create contingent liabilities and risks that may be material to IEEE; and (b) other matters that could materially impact IEEE’s contingent liabilities and risks, including reputational risk.

D.4 Request, as appropriate, reports from key members of management and the professional staff regarding high-risk areas or topics of current interest in the risk management field.

E. Regulatory/Compliance Oversight Responsibilities

E.1 Review IEEE’s program relating to compliance with its corporate Principles of Business Conduct and Conflict of Interest Disclosure and its whistleblower policy and monitor such policies and procedures.

E.2 Establish procedures for (a) the receipt, retention, and treatment of complaints regarding accounting, internal accounting controls or auditing matters, and (b) the confidential and/or anonymous submission by employees or volunteers of such concerns.

E.3 Oversee or conduct special investigations or other functions pursuant to this Charter, or as directed by the Board of Directors, and report its findings, conclusions, and recommendations to the Board of Directors so as to assist the Board in fulfilling its fiduciary, and corporate accountability responsibilities and to help maintain a direct line of communication between the Board and IEEE’s internal and independent auditors.

E.4 Review IEEE’s compliance processes, including the effectiveness of the system for monitoring compliance with applicable laws and regulations, and the process for communicating IEEE’s code of conduct and ethical rules and policies to IEEE’s professional staff and members.

E.5 Review legal and regulatory matters that may have a material impact on IEEE’s financial statements, related corporate compliance policies, and programs and reports received from regulatory agencies and any observations of the independent auditors or Director of Internal Audit regarding compliance matters. Obtain regular updates from the General Counsel, independent counsel, other compliance and ethics officers, and members of management regarding compliance matters and significant legislative and regulatory developments that may affect compliance matters.

IV. Composition

In accordance with Bylaw I-305.1, the Audit Committee shall be comprised of not fewer than three nor more than five members, and be comprised solely of independent directors as such term is
defined by the New York Not-For-Profit Corporation Law. Members shall be chosen from those who will be serving the first year of a two-year term on the Board of Directors, none of whom shall be a corporate officer. If there are an insufficient number of qualified candidates for Committee membership available from the first-year Board members, the Board of Directors may appoint a second-year Board member for a one-year term.

Each member of the Audit Committee must be financially independent of IEEE. No Audit Committee members shall be considered for or receive any compensated advisory contracts from IEEE during the term of service on the Committee.

Each of the Audit Committee members shall be “financially literate”, which shall include the ability to read and understand fundamental financial statements. In addition, at least one member of the Audit Committee shall qualify as a Financial Expert and be appointed to such designation by the Board of Directors on the recommendation of the Nominations & Appointments Committee. An Audit Committee Financial Expert shall be selected considering the following attributes:

- An understanding of generally accepted accounting principles and financial statements
- The ability to assess the general application of such principles in connection with the accounting for estimates, accruals and reserves
- Experience preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by IEEE's financial statements, or experience actively supervising one or more persons engaged in such activities
- An understanding of internal controls and procedures for financial reporting
- An understanding of audit committee functions.

V. Term of Office

Audit Committee members shall be appointed by the Board of Directors for two-year staggered terms, (except as noted in Section IV above, wherein the Board of Directors may appoint second-year Board of Directors members for appointment to a one-year term). The Board of Directors shall appoint the Committee’s Chair normally from those who will be serving the second year of their term on the Committee. The Audit Committee shall select its Secretary.

VI. Meetings

The Audit Committee shall meet immediately prior to the regular meetings of the Board of Directors and at such other times as directed by its Chair, upon written notice to the members at least 10 days in advance of such special meetings, the receipt of which notice may be waived by all members of the Committee. The Audit Committee may also take action by unanimous written consent or by conference communication by means of telephone or similar communications equipment by which all persons participating in the meeting can hear each other, and such participation in a meeting shall constitute presence in person at such meeting. A majority of its members shall constitute a quorum. As part of its goal to foster open communication, at each of its regularly scheduled meetings the Audit Committee shall meet separately in executive session with the Executive Director, the Chief Financial Officer, the Head of Internal Audit, the General Counsel, and the independent auditors, if present, to discuss any matters that the Audit Committee or each of the foregoing parties believes would be appropriate to discuss privately. The Committee shall maintain written minutes that it files with the Secretary of IEEE.
VII. Procedure

A. The Committee shall meet with representatives of the independent auditor at least semi-annually to review and discuss appropriate matters within the scope of the responsibilities and duties outlined in this Charter including, but not limited to:

- The planning, scope, approach, staffing, and identified objectives of the independent audit for the current fiscal year
- The results of the independent audit and underlying accounting judgments and estimates
- The auditor’s comments regarding the adequacy of IEEE’s internal accounting controls
- External auditor’s relationships with IEEE that may impact objectivity and independence
- Management’s representations regarding integrity of internal controls and financial reporting systems and conformity of financial statements with generally accepted accounting principles
- Other relevant matters noted during the auditor’s examination, along with management’s response regarding such comments
- Assurance that auditors were not subject to undue influence by management during the course of the audit.

Upon completion of the audit, the Committee shall review and discuss with the independent auditor (i) any material risks and weaknesses in internal controls identified by the auditor; (ii) any restrictions on the scope of the auditor’s activities or access to requested information; (iii) any significant disagreements between the auditor and management; and (iv) the adequacy of the corporation’s accounting and financial reporting processes.

B. The Committee shall meet with the internal auditors to discuss and determine the scope of the internal audit and to review the results of the internal auditor’s examination and management’s response regarding the auditors’ findings and recommendations.

C. As necessary or desirable, the Audit Committee is empowered to investigate any matter brought to its attention with full access to books, records, facilities, and personnel of IEEE and may request that representatives of the independent auditors, the internal auditors, or legal counsel be present at meetings of the Committee related to such investigation. In addition, the Committee shall have the authority to retain, at IEEE’s expense, special legal, accounting, or other consultants or experts it deems necessary or appropriate to carry out its duties and to assist in the fulfillment of its obligations under this Charter, including the provision of training to the Audit Committee members in order to meet the financial literacy requirements described in Section IV above.

VIII. Financial Support

Financial support for the Audit Committee shall be provided from the general funds of IEEE. IEEE shall at all times make adequate provisions for the payment of all fees and other compensation, approved by the Committee, to any consultants or experts retained by the Committee.

IX. Evaluation of the Committee

The Audit Committee shall conduct a review and evaluation, at least annually, of the functioning of the Audit Committee, including, but not limited to, reviewing the compliance of the Audit Committee with this Charter. In addition, the Audit Committee shall review and reassess, at least annually, the adequacy of this Charter and recommend to the IEEE Governance Committee of the Board of Directors for consideration by the Board of Directors any improvements to this Charter that the Audit
Committee considers necessary. The Audit Committee shall conduct such evaluations and reviews in such manner as it deems appropriate.