

POLICY NUMBER: 1.3

NAME OF POLICY: Finance - Audit

ADOPTED: May 21, 2026

LAST REVIEWED: May 21, 2026

LAST REVISED: May 21, 2026

PURPOSE: The purpose of the Audit Policy is to ensure that EBDA's financial information adheres to Generally Accepted Accounting Principles (GAAP), and that the independent auditors conform to the Independence Standard promulgated in the U.S. Government Accountability Office's *Generally Accepted Government Auditing Standards (GAGAS)*.

POLICY: It is the policy of the Authority that an annual financial audit will be performed by an independent public accounting firm with an Independent Auditor's Report to be included along with EBDA's fiscal year-end financial statements.

The audit will consist of review of EBDA's financial records and procedures in accordance with GAAP. The audit shall take place as soon as practical after EBDA staff closes the books for the fiscal year. The results of the audit will be presented to the Commission within six months of the end of the fiscal year.

The independent audit firm will be selected through a competitive Request for Proposals (RFP) process at least once every five years. In no case will price serve as the sole criterion for the selection of an independent audit firm.

Professional standards allow independent auditors to perform certain types of non-audit services for their clients. A common example of this would be the annual preparation of the Financial Transactions Report to the State Controller's Office; preparation of this report by the independent audit firm is approved within this policy when this is the most efficient means of generating the Financial Transactions Report. Any other significant non-audit services will be approved in advance by the Commission.