

## **ATTACHMENT C**

### **AUDIT COMMITTEE MEMBER PROXIES AND VOTING REPS**

In several instances, Tennessee statutes permit members of boards and commissions, usually ex officio members, to designate proxies or representatives to participate in meetings on their behalf. Frequently these designations include the ability to vote on some or all matters that may be considered. We have been asked about the permissibility and/or advisability of voting representatives serving on audit committees on behalf of their principals.

The issue of permissibility is a matter of law and may differ on a case-by-case basis.

We recognize that scheduling can be very difficult and competing interests make direct participation in and attendance at all meetings, including committee meetings, difficult. However, we would encourage principals who are placed on audit committees to participate to the fullest extent practical, especially in the early stages of audit committee creation and organization and at meetings involving sensitive audit or investigative issues.

As with all business conducted by a board and commission, in our view, the member is accountable for appropriately fulfilling his or her responsibility as a board and commission member, notwithstanding the use of a representative to attend and participate in meetings on the member's behalf.