

## **Makaha Surfside (MSS) Oversight Committee Charter**

### **1. Purpose & Mission**

The MSS Oversight Committee is an independent advisory body responsible for ensuring transparency, financial accountability, operational efficiency, and ethical governance within the HOA.

This committee serves as a check and balance on the Board of Directors, ensuring that decisions are made in the best interest of homeowners while complying with governing documents and financial best practices.

The committee operates without direct board oversight to maintain independence and objectivity in its assessments.

### **2. Responsibilities & Scope**

The committee is responsible for reviewing and making recommendations in the following areas:

#### **A. Financial Oversight**

- Review the HOA's budget, expenditures, and financial reports for accuracy and financial prudence.
- Ensure reserve funds are properly maintained and align with long-term planning.
- Assess vendor contracts and payments to prevent overcharges or irregularities.
- Monitor dues collection and financial management policies for effectiveness and fairness.

#### **B. Governance & Compliance**

- Ensure the board follows CC&Rs, bylaws, and state/local laws.
- Review board policies and decision-making processes for fairness and transparency.
- Identify potential conflicts of interest within board actions or management decisions.

#### **C. Operational Oversight**

- Evaluate management company performance, vendor effectiveness, and contract execution.
- Review capital improvement projects and maintenance work for quality, adherence to budget, and completion timelines.

#### **D. Ethics & Homeowner Concerns**

- Investigate homeowner complaints related to board governance, finances, or conflicts of interest.
- Provide recommendations on enhancing board transparency and homeowner involvement.

### **3. Membership Structure**

#### **A. Composition**

- The committee shall consist of at least 3 independent homeowner members appointed by the Board of Directors.
- No current board members or HOA employees may serve on the committee to preserve independence.

#### **B. Qualifications**

- Must be a homeowner in good standing with no outstanding HOA violations.
- Should have expertise in finance, governance, legal matters, operations, or property management (preferred but not required).
- Cannot have a business or financial interest in HOA contracts or vendors.

#### **C. Term Limits & Appointments**

- Members serve staggered two-year terms to maintain continuity.
- The Board may remove members for misconduct, ethical violations, or inactivity.
- Vacancies are filled by committee nomination and board approval.

#### **4. Independence from the Board**

- No board member may sit on the committee, even as a liaison.
- Board members may attend meetings only by committee invitation for specific discussions but cannot participate in working sessions.
- The committee operates without board influence and reports directly to homeowners (via official reports) and the Board.

#### **5. Authority & Reporting Structure**

- The committee has advisory authority only and does not make final decisions.
- The committee submits reports directly to the Board and homeowners rather than through a board member.
- The Board must formally acknowledge receipt of reports and provide a response within 30 days.
- If the Board disagrees with committee findings, it must provide a written explanation to ensure transparency.

#### **6. Meeting & Reporting Requirements**

- Meets at least quarterly (or more frequently if required).
- The committee will issue written reports to the Board and homeowners. Reports will include:
  - Financial health assessment
  - Vendor and contract evaluations
  - Board compliance with governing documents
  - Any recommended actions for improvement
- **Annual Report:** A comprehensive review of financial, governance, and operational findings will be presented at the HOA's Annual Meeting.

#### **7. Confidentiality & Ethics**

- Members must maintain confidentiality on financial and legal matters.
- Any conflict of interest must be disclosed, and the member must recuse themselves from related discussions.
- Breaches of confidentiality or ethical violations may result in removal from the committee.

#### **8. Amendment & Review**

- This charter may be amended by a majority vote of the HOA Board.
- The committee's effectiveness shall be reviewed annually to assess its impact and efficiency.

#### **9. Legal & Regulatory Review**

- The committee may review and assess compliance with applicable federal, state, and local laws and regulations, and flag any potential legal or regulatory concerns to the Board.
- The committee shall not act as legal counsel or take legal action on behalf of the AOA.
- The committee may refer potential legal issues to the Board, which may then consult with legal counsel at its discretion.

#### **Adoption & Approval**

This charter is adopted by the MSS Board of Directors on [Insert Date].

**Board President:**

**Oversight Committee Chair:**