

Audit Committee

Overview

The Audit Committee assists the Board of Directors in fulfilling its fiduciary and corporate accountability responsibilities by overseeing the majority of Analysts International's accounting, audit and financial reporting policies and practices. This oversight focuses on the quality and integrity of the financial statements as well as compliance with legal and regulatory requirements.

The Committee is comprised of three non-employee directors who are defined as independent by the rules and regulations of Nasdaq and the Securities and Exchange Commission. All members have financial experience, and one member is the Audit Committee Financial Expert, with experience in corporate accounting, auditing and financial reporting.

Roles and Responsibilities

The Committee works with Analysts International's external auditors, who always have direct access to Committee and Board members. The Committee assists in the preparation of financial statements and presents an annual report to the Board of Directors.

The Audit Committee has the following duties and responsibilities:

1. Appoint, oversee, evaluate, retain and compensate the external auditors.
2. Review and approve the scope of the annual audit as proposed by the external auditors.
3. Review the results of the annual audit and quarterly reviews conducted by the external auditors.
4. Participate in the annual preparation of Analysts International's audited financial statements and quarterly preparation of unaudited financial statements.
5. Prepare and present an annual report to the Board.
6. Review and pre-approve non-audit services rendered by the external auditors.
7. Maintain a system for anonymous reporting of accounting irregularities.
8. Consider recommendations by the external auditors regarding Analysts International's system of internal accounting controls and financial reporting.
9. Conduct executive sessions with the external auditors, management, Chief Financial Officer and internal audit staff as necessary.

Membership

The members of the Audit Committee for 2004-2005 are: Chairman Edward M. Mahoney, Michael B. Esstman and Robb L. Prince.