

**University of North Florida  
Board of Trustees  
Audit and Compliance Committee Charter**

**Role and Purpose**

The primary function of the University of North Florida (“the University”) Audit and Compliance Committee (“the Committee”) is to assist the Board of Trustees (“the Board”) in fulfilling its oversight responsibilities for the following activities:

- The integrity of the university’s annual financial statements;
- The system of internal controls and risk assessment;
- The university's compliance with legal and regulatory requirements;
- The qualifications, independence, and performance of the internal and external audit functions and the compliance and ethics program.

In addition, the Committee and this charter seek to address the State University System of Florida Board of Governors regulations 4.001, 4.002, 4.003, and 4.004 whose purpose is to address the University’s complaints processes of waste, fraud, or financial mismanagement, Chief Audit Executive resp

The Committee's authority comes from the Office of Internal Auditing (OIA) to conduct within the scope of the Committee's responsibility. Further, the Committee has the authority empowered to:

- Have unrestricted access to all University records
- Approve the use of outside accountants for conducting audits, reviews, and/or investigations
- Review and recommend appropriate actions on the University’s budget approval process
- Retain, with Board approval, independent consultants, as necessary to assist in fulfilling its responsibilities
- Delegate authority to subcommittees

- The Audit and Compliance Committee shall be composed of not more than 7 members.
- The Chair of the Board shall appoint each member.
- The Chair of the Board shall also appoint an Audit and Compliance Committee Chair and Vice Chair.
- The term of appointment is in accordance with section 2 of the Board of Trustees bylaws.
- A quorum shall consist of three committee members.

## **Meetings & Communication**

The Committee shall meet at least three times annually, or more frequently as deemed necessary by any Committee member. Each member shall be entitled to one vote and shall cast that vote on each item submitted. Members shall only abstain from a vote when there is a valid conflict of interest addressed to the Committee. The Committee may invite members of management, representatives of the external auditor or others to attend meetings and provide pertinent information, as necessary. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. The minutes of each meeting will be prepared and approved at subsequent meetings.

The Committee is subject to Florida's Government in the Sunshine Law (Sunshine Law) as set forth in Chapter 286, Florida Statutes. The Sunshine Law extends to all discussions and deliberations as well as any formal action taken by the Committee. The law is applicable to any gathering, whether formal or casual, of two or more members of the Committee to discuss some matter on which foreseeable action will be taken.

## **Responsibilities**

The Committee relies on the expertise and knowledge of management, the internal auditors, compliance officer and the independent auditors in carrying out its oversight responsibilities. As such, the Audit and Compliance Committee is accountable to the Board for carrying out the following responsibilities:

### **Financial Statements**

- Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Discuss the annual audited financial statements with management and the external auditors.

### **Risk and Internal Controls**

- Discuss with management the University's major policies with respect to risk assessment and risk management.
- Consider the effectiveness of the University's internal controls environment.
- Understand the scope of internal and external auditors' reviews of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Review any disclosures made about significant deficiencies in the design TD[M]4(e)4(e)4(tin6)en9.00399971(413(o)1

- Annually review, with the Chief Audit Executive, the charter, plans, activities, staffing, and organizational structure of the internal audit function.
- Annually review the OIA annual report.
- Review and approve the annual audit plan as support by the independent risk assessment process and discuss overall results with the Chief Audit Executive.
- Receive from the OIA each final internal audit report and progress report on the approved audit plan.
- Review reports, in consultation with the Board Chair, Committee Chair and President, on material and significant audit issues which may include investigations of fraud, waste, and abuse.
- Review the effectiveness of the internal audit function, including compliance with the International Standards for the Professional Practice of Internal Auditing and the Code of Ethics of The Institute of Internal Auditors. This may be accomplished through a Quality Assurance and Improvement Program as required by The Institute of Internal Auditors.

#### **External Audit**

- Review the State Auditor General and other external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the overall performance of the State Auditor General and other external auditors engaged to perform work within the University and make a recommendation to the Board on the appointment or discharge of the external auditors where applicable.

#### **Compliance Program**

- Review and concur in the appointment, evaluation, replacement, or dismissal of the Chief Compliance