

Committee Charge: Audit Committee

Overall Roles and Responsibilities:

The Audit Committee shall be responsible for the oversight and integrity of the financial statements and other financial reports; performance of the University's internal and external audit functions; selection of an external auditor; assurance that the University is performing self-assessment of operating risks and evaluations of internal controls on a regular basis; the study and review of all reports and other correspondence from external auditors; and the submission of audit reports and recommendations to the Board of Trustees. The Executive Director of Internal Audit shall be accountable to the Board of Trustees through the Audit Committee, and shall make reports to the Audit Committee as appropriate.

Responsibilities:

Specific responsibilities of the Committee include:

- Discuss with management the University's major policies with respect to risk assessment and risk management
- Review significant accounting and reporting issues at the University, including complex or unusual transactions, and highly judgmental areas
- Understand the scope of internal and external auditors' review of internal controls over financial reporting
- Review the University's annual financial statements and other documents with external auditors to determine if the information provided is complete and appropriate
- Approve the engagement of external auditors retained by the University
- Approve the annual internal audit department plan
- Discuss the overall audit results with the Executive Director of Internal Audit
- Review the effectiveness of the internal audit function on an ongoing basis
- Review the findings of any audits, examinations or reviews by regulatory agencies
- Obtain regular updates from management and University legal counsel regarding compliance matters
- Provide an open avenue of communication between Internal Audit, the external auditors, and the Board of Trustees

Meetings:

The Committee shall meet upon the call of the President, the Chair *pro tempore*, or the Chair of the Committee. Meetings typically occur on the day prior to the regularly-scheduled quarterly meetings of the Board of Trustees, but may be called to take place at any time.

Membership:

Committee members and the Chair and the Vice Chair of the Committee shall be appointed by the Chair *pro tempore* for terms concurrent with the term of the Chair *pro tempore*. The Chair *pro tempore* shall consider appointing members with backgrounds in, and knowledge of, finance, accounting, education, nonprofit administration, auditing, information technology, general business and executive leadership.

Reports:

The following reports are commonly submitted by the University Administration for consideration by the Committee:

- Annual audited financial statements
- Annual audit reports of the University's federally sponsored activity (A-133 report)
- Annual report to the Board from the University's external auditors related to internal control (management letter)
- Annual reports of agreed-upon procedures with respect to the University's intercollegiate athletic activities
- Annual reports from the State of Alabama Examiners of Public Accounts with respect to the University's compliance with state laws and regulations

Adopted September 9, 2016