



## **ROLE/PURPOSE**

The primary function of the University of North Florida (“the university”) Finance & Audit Committee (“the Committee”) is to assist the Board of Trustees (“the Board”) in fulfilling its oversight responsibilities for

- the financial reporting processes,
- the system of internal controls and risk assessment,
- the university's compliance with legal and regulatory requirements,
- the qualifications, independence, and performance of the external auditors and
- the qualifications, independence, and performance of the internal audit function.

## **AUTHORITY**

The Committee's authority comes from the Board of Trustees. The Committee has the authority to direct the Office of Internal Auditing to conduct an audit, review, and/or a special investigation into any matters within the scope of the Committee's responsibility.

The Committee is empowered to:

- Have unrestricted access to all University activities, records, property, and personnel.
- Approve the use of outside accountants, consultants or others retained by the university to assist in conducting audits, reviews, and/or special investigations.
- Review and recommend appropriate budget for the OIA, as part of the University budget approval process.
- Retain, with Board approval, independent counsel, accountants, or others having special competence as necessary to assist in fulfilling its responsibility or assist in the conduct of an investigation.
- Delegate authority to subcommittees

The Committee will have the resources and authority necessary to discharge its duties and responsibilities.

## **MEMBERSHIP**

Each member shall be free of any relationship that would interfere with the exercise of his or her independent judgment as a member of the committee.

Collectively, members of the Committee should have professional experience and expertise in at least one of the following fields: post secondary education, education, non profit administration, investing, finance, accounting, financial reporting, auditing, or information technology. At least one member of the Committee should have accounting or related financial management expertise. However, the lack of any such member shall not invalidate or otherwise affect the actions taken by the Committee.

- The Finance and Audit 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 a Finance and Audit 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. The Committee may not conduct any meeting with fewer than three members present. 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, and the independent auditors in carrying out its oversight responsibilities. As such, the Audit Committee is accountable to the Board for carrying out the following responsibilities:

### FINANCIAL STATEMENTS

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory initiatives, and understand their impact on the 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. While the Committee has the responsibilities and the authority as set forth in this Charter, it is not the responsibility of the Committee to plan or conduct individual audits, reviews and/or investigations,

### 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 or operation of internal controls or any fraud that involves employees who have a significant role in the University's internal controls.

### INTERNAL AUDIT

- Review and concur in the appointment, replacement, or dismissal of the Director of Internal Audit.
- Annually review the Office of Internal Auditing's functional and administrative reporting relationships to ensure independence is fostered.
- Annually review, with the Director of Internal Audit the charter, plans, activities, staffing, and organizational structure of the internal audit function.



- Review and approve the OIA annual report, the annual audit plan as support by the independent risk assessment process, and discuss overall results with the Head of Internal Audit.
- Receive from the OIA each final internal audit report and progress report on the approved audit plan
- 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 IIA.

#### **EXTERNAL AUDIT**

- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the overall performance of the external auditors, and make a recommendation to the Board on the appointment or discharge of the auditors

#### **COMPLIANCE**

- Review the effectiveness of the system for monitoring compliance with laws, policies and regulations.
- Review the results of investigations resulting from instances of noncompliance
- Review the findings of any examinations by regulatory agencies, and any auditor observations.
- Encourage continuous improvement of, and foster adherence to, the University's policies, procedures, and practices at all levels.

#### **COMMUNICATION & REPORTING**

- Regularly report to the Board about Committee activities and issues that arise with respect to
  - the quality or integrity of the university's financial statements,
  - the university's compliance with legal or regulatory requirements,
  - the performance of the university's external auditors, and
  - the performance of the internal audit function.

#### **GENERAL**

- Review and assess the adequacy of the Finance & Audit Committee charter annually.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Perform other activities related to this charter as requested by the Board.