UWF BOARD OF TRUSTEES AUDIT and COMPLIANCE COMMITTEE CHARTER

PURPOSE
One standing committee of the UWF Board of Trustees will be known as the Audit and Compliance Committee. This Committee’s primary purpose will be to assist the Board in fulfilling its oversight responsibilities for the following activities:
- The integrity of the University’s annual financial statements;
- The University’s compliance with legal and regulatory requirements;
- Oversight of the University’s internal control structure and management practices; and,
- Oversight and direction of the internal auditing and compliance functions.

Key principles in fulfilling this purpose include:
- Diligent and knowledgeable members regarding financial areas;
- Independent communication with UWF management; and,
- Independent audit and compliance communication and information flow.

The Committee serves as the focal point of communication between the Board of Trustees (BOT), Administration, the Internal Auditing and Compliance (IAC) department, external auditors, and state and federal agency auditors. The liaison to the UWF BOT Executive Committee is the chairman of the Audit and Compliance Committee. This committee shall take all appropriate actions to establish the overall University tone for quality financial reporting, sound business risk practices, ethical behavior, and facilitating a compliant culture.

AUTHORITY
The Committee, in fulfilling its oversight role, has the authority to study or investigate any matter within the Committee’s scope of responsibilities. The Committee will inform the Board of such actions and the results. With the concurrence of the Committee, the Committee Chair may fulfill certain duties and responsibilities of the Committee and report back the results to the Committee and Board.

The Committee will seek any information it requires from employees—all of whom are directed to cooperate with the Committee’s requests—or external parties.

COMPOSITION
The Audit and Compliance Committee will be comprised of at least three, but no more than five, members of the UWF Board of Trustees. The chairman of the Board, recognizing the need for continuity of membership from year to year, shall appoint the members of the Committee.

The members will be free from any financial, family or other material personal relationship that would interfere with the exercise of their independence from management or the institution. All members of the Committee will have a working familiarity with basic finance and accounting practices and at least one member must be a financial expert. Financial literacy is being able to read and understand fundamental financial statements.
expert means a person who has one or more of the following: an understanding of generally accepted accounting principles and financial statements; experience in applying such principles; experience in preparing or auditing financial statements; experience with internal controls; and an understanding of finance and audit committee functions.

MEETINGS
The Audit and Compliance Committee will meet at least four times annually, with authority to convene additional meetings as circumstances require. All Committee members are expected to attend each meeting in person or via teleconference or videoconference. The Committee will invite members of management, auditors, 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. Minutes will be prepared.

EDUCATION
The University is responsible for providing the Committee with educational resources related to auditing, compliance, risk management, accounting principles and practices, and other information that the Committee may request. The Secretary of the Board, the IAC Associate Vice President, and the General Counsel will assist the Committee in maintaining literacy in the appropriate areas related to the Committee’s function.

RESPONSIBILITIES
The Committee will carry out the following responsibilities:

General
- Adopt a formal written charter that is approved by the full Board of Trustees that specifies scope of responsibility, process, membership, etc. The charter will be reviewed as necessary, but at least every other year.
- Maintain minutes or other records of meetings and activities.
- Report Committee actions to the Board with such recommendations the Committee may deem appropriate.
- Conduct or authorize investigations into any matters within the Committee’s scope of responsibilities. The Committee shall be empowered to retain independent counsel, accountants, or others to assist it in the conduct of any investigation.
- Review and monitor implementation of management’s response to internal and external audit recommendations.
- Oversee the development, implementation, and execution of policies and procedures that promote accountability, compliance, ethical values, and sound control practices. The Office of Internal Auditing and Compliance will be accountable to the Board through the Committee for objectively evaluating risk management, control, and governance processes.
- Perform other governance oversight as assigned by the Board.

Financial Statements/Internal Controls
Management is responsible for the preparation, presentation, and integrity of the
University’s financial statements and for the appropriateness of the accounting principles and reporting policies used by the University. The following shall be the principal duties and responsibilities of the Committee regarding financial statements.

- Review annual audited financial statements with management and the independent accountants to determine that the independent auditors are satisfied with the disclosure and content of the financial statements, application of conservative accounting principles, and approve such financial statements.
- Review with the Florida Auditor General the scope and results of the examination of the University’s annual financial statements and any other matters related to the conduct of the audit that should be communicated to the Committee.
- Resolve any differences between management and the Florida Auditor General regarding financial reporting.
- Review with management and General Counsel any legal matters (including pending litigation) that may have a material impact on the University’s financial statements and any material reports or inquiries from regulatory or governmental agencies.
- Consider external auditors’ judgments regarding the quality, consistency, and appropriateness of financial statements.
- Make inquiries of management and external auditors concerning the adequacy of the University’s system of internal controls.
- Require financial management and the independent auditor to discuss with the Committee their qualitative judgments about the appropriateness, not just acceptability, of accounting principles and financial disclosure practices used or proposed to be adopted by the institution.
- Review, accept, and recommend for Board approval the University's annual audit of accounts and records/financial statements, and the report on internal controls and compliance.
- Review the programs and policies of the University designed by management to assure compliance with applicable laws and regulations and monitor the results of compliance efforts including those involving environmental health and safety.

**Internal Auditing**

- Ensure that the internal auditing department has direct and unrestricted access to the chairman and other Committee members.
- Approve the appointment, reassignment, replacement, or dismissal of the Associate Vice President for Internal Auditing and Compliance (IAC).
- Approve and periodically review the internal audit and compliance charter.
- Review the internal audit functions including independence and authority.
- Approve requests for accounting and auditing services through the Chairman of the Committee.
- Review with the IAC Associate Vice President the activities, staffing, and organizational structure of the internal auditing function.
- Review and approve the annual audit plan and any significant changes to the plan.
- Receive and review reports and other work prepared by IAC.
• Receive and review all outside audits of the University or University-related organizations.
• Review all significant findings and recommendations noted by internal auditors or external auditors.
• Meet periodically with appropriate members of the University administration, IAC, and independent auditors to discuss and evaluate the scope and results of audits and the University's accounting procedures and controls.
• Require the IAC Associate Vice President to provide an annual written report on the activities of the office.
• Review the effectiveness of the internal auditing function, including conformance with The Institute of Internal Auditors’ International Standards for the Professional Practice of Internal Auditing.
• Inquire of the IAC Associate Vice President regarding any difficulties encountered in the course of audits, including any restrictions on the scope of audit work or access to required information or any lack of cooperation.
• Annually review staffing levels to ensure the IAC can fulfill its plans and mission and assess the adequacy of audit staff qualifications and training.
• Maintain adequate policies and guidelines for receiving complaints regarding accounting controls and reports of financial fraud. Review significant findings and issues identified as a result of special reviews or whistleblower complaints.

Compliance
• Review with the IAC Associate Vice President the activities, staffing, and organizational structure of the compliance function.
• Review and approve the annual University Compliance Plan.
• Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of follow-up (including disciplinary action) of any instances of noncompliance.
• Review the findings of any examinations by regulatory agencies and any auditor observations.
• Review the process for communicating the code of conduct to the organization’s personnel and for monitoring compliance therewith.
• Obtain regular updates from management and the General Counsel regarding compliance matters.

External Audit/Independent Accounts
Currently, the Florida Office of the Auditor General performs the financial audits of the University. Procurement of external accountants for direct support and other related organizations (affiliated organizations) falls under the oversight of their organizations’ Boards of Directors.

For audits required by outside parties (e.g. external granting agencies, NCAA, etc.), the Committee will make recommendations for the selection of external auditors or may
delegate such authority to the IAC Associate Vice President.

**Reporting**
- Regularly report to the UWF Board of Trustees about Committee activities, issues, and related recommendations.
- Provide an open avenue of communication between internal auditing, the external auditors, and the UWF Board of Trustees.
- Review any other reports the organization issues that relate to the Committee’s responsibilities.

**Other Responsibilities**
- Perform other activities related to this charter as requested by the UWF Board of Trustees.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Audit and Compliance Committee charter annually, requesting Board approval for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.
- Confirm annually that all responsibilities outlined in this charter have been carried out.
- Evaluate the Committee’s and individual members’ performance on a regular basis.

**University Staff Liaisons**
- General Counsel or designee
- Associate Vice President for Internal Auditing and Compliance or designee