

NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY

BOARD OF TRUSTEES

AUDIT COMMITTEE CHARTER

RESOLVED, By the Board of Trustees of North Carolina Agricultural and Technical State University, on April 19, 2013 that the following Charter for the Audit Committee is adopted.

Background and Authority

North Carolina Agricultural and Technical State University, as a constituent institution of the University of North Carolina, is required to establish a program of internal auditing pursuant to NCGS 143-746. Chapter 600 of the Board of Governors Policy Manual establishes financial, reporting, and audit policies, regulations, and guidelines for the University of North Carolina, University-related private foundations, and associated entities.

Purpose

The primary purpose of the Audit Committee is to assist the Board of Trustees in fulfilling its oversight responsibilities for (i) the integrity of the University's financial reporting process; (ii) the systems of internal control over financial reporting, the external and internal audit processes; and (iii) the university's process for monitoring compliance with laws and regulations, and the code of ethics.

Organization

The Audit Committee shall be a standing committee of the North Carolina Agricultural and Technical State University Board of Trustees and will consist of members determined by the Board of Trustees. Committee members must be independent of the University and its associated entity management and free of any relationship that would impair the member's independence. Committee members may not receive consulting, advisory, or other fees from North Carolina Agricultural and Technical State University or its associated entities. If practicable, at least one member of the Committee should have accounting or financial expertise.

Meetings

The Audit Committee shall meet no fewer than four times a year. The Committee will invite representatives of University Administration, auditors, legal counsel, and others to attend meetings and provide pertinent information as necessary. Minutes of the meetings shall be maintained. Meeting agendas shall be prepared and provided in advance to members, along with appropriate briefing materials. Other meetings may be called as considered necessary by the Audit Committee chairperson.

Duties and Responsibilities

The Audit Committee operates under the Board of Trustees and is responsible for the overall audit function within North Carolina Agricultural and Technical State University. In this context, the Committee shall:

1. Review and approve the annual audit plan for the University Internal Audit Department; ensure that the plan includes testing of internal controls and audits as required by the UNC General Administration (“UNCGA”); and then forward a copy of the approved audit plan to UNCGA in the format prescribed by UNCGA.
2. Review the annual summary of the audit work performed by the University’s Internal Audit Department; determine that all internal audits were conducted in accordance with professional standards; and then forward a copy of the summary to UNCGA in the format prescribed by UNCGA.
3. Review the results of the annual financial audit with the State Auditor or his designated representative and present the results of the annual audit to the full Board.
4. Discuss the results of any other audits performed and reports/management letters (i.e. information system audits, investigative audits, etc.) issued by the State Auditor, such discussion to be with the State Auditor or designee, the Director of Internal Audit or other appropriate campus official.
5. Monitor the university's system of internal controls and the adequacy of financial, accounting and operational policies and practices related to financial reporting; and review the process for communicating the code of ethics, and for monitoring compliance therewith.
6. Approve the internal audit department’s charter, mission statement, and other governance documents related to internal audit activities in the University.

7. Assure the effectiveness of the internal audit function, including the adequacy of its staffing and budget, and performance relative to its annual plan.
8. Discuss at regular or telephonic meetings the quarterly reports from the University's Director of Internal Audit that contain material (significant) reportable conditions; review the University's corrective action plan for these conditions; and require a report once these conditions have been corrected.
9. Ensure that the organization chart for the University depicts the approved reporting relationship for the Director of the Internal Audit Department with the Chancellor along with a clear and recognized reporting relationship to the chair of the Board of Trustee's designated audit committee.
10. Perform any and all other functions required of this Committee by state law or by UNCGA regulation or policy.

The Committee may modify or supplement these duties and responsibilities as needed.

The Committee, with the assistance of the Director of Internal Audit, should periodically review and assess the adequacy of the Audit Committee Charter.

It is resolved, By the Board of Trustees of North Carolina Agricultural and Technical State University, that the following Charter for the Audit Committee is adopted.

APPROVED:

Chairperson of the Audit Committee

Date: _____

Chairperson of the Board of Trustees

Date: _____