

Audit Committee Charter

Purpose

To assist the Elizabeth City State University Board of Trustees in fulfilling its oversight responsibilities for: (1) the financial reporting process, (2) the system of internal control, (3) the University's compliance with legal, regulatory, and ethical requirements, (4) the performance of the University's internal audit function, and (5) the University's compliance with the Best Financial Practices Guidelines adopted by the UNC Board of Governors in November of 2005.

Organization

The Committee on Finance, Audit, and University Advancement ("Committee") shall be a standing committee of the ECSU Board of Trustees. Each Committee member must be independent of management and free of any relationship that would impair such independence. If practicable, at least one member of the Committee should be a financial expert. A financial expert is someone who has an understanding of generally accepted accounting principles and financial statements; experience in applying such principles; experience in preparing, auditing, analyzing, or evaluating financial information; experience with internal controls and procedures for financial reporting; and an understanding of the Committee function.

Meetings

The Committee shall meet at least four times a year and hold additional meetings as circumstances require. The Committee will invite representatives of management, auditors, legal counsel, and others to attend meetings and provide pertinent information as necessary. It will also hold private meetings with the Chief Audit Officer as deemed necessary.

Duties and Responsibilities

In accordance with the UNC BOG Best Financial Practices, the following shall be the principal duties and responsibilities of this Committee:

- Review the results of the annual financial audit with the North Carolina State Auditor or his designated representative.
- Discuss the results of any other audit performed and report/management letter (i.e. information system audits, investigative audits, etc.) issued by

- the North Carolina State Auditor with either the State Auditor or his staff, the Chief Audit Officer, or appropriate campus official.
- For any audit finding contained within a report or management letter issued by the State Auditor, review the institution's corrective action plan and receive a report once corrective action has taken place.
 - Discuss the results of any audit performed by independent auditors and, if there were audit findings, review the institution's corrective action plan and receive a report once corrective action has taken place.
 - Review all audits and management letters of University Associated Entities as defined in section 600.2.5.2[R] of the UNC Policy Manual.
 - Receive quarterly reports from the Chief Audit Officer that, at a minimum, reports material (significant) reportable conditions, the corrective action plan for these conditions and a report once these conditions have been corrected.
 - The Chief Audit Officer reports to the Chancellor with a clear recognized reporting relationship to the Chair of the Committee.
 - Receive, review, and approve the annual audit plan for the internal audit department.
 - Ensure that all internal audits were conducted in accordance with professional standards.
 - Receive and review an annual summary of audits performed by the internal audit department.
 - Ensure the Chief Audit Officer forwards copies of both the approved audit plan and summary of internal audit results to UNC General Administration in the prescribed format.

Other

- Review and assure the internal audit function has appropriate budget and staff resources.
- Review and accept internal audit reports when issued.
- Periodically review and revise the internal audit charter as needed.
- Resolve disagreements between internal audit and management concerning audit findings and recommendations.

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

Approved by the Committee on Finance, Audit, and University Advancement on September 14, 2021.