

University of Louisiana System

**Title: AUDIT COMMITTEE
CHARTER**

Effective Date: March 1, 2003

Cancellation: None

Chapter: Finance and Business

Policy and Procedures Memorandum

PURPOSE

The Audit Committee will serve to ensure:

- the activities of the internal audit function complies with the System Internal Audit Charter and the Institute of Internal Auditors' Standards for Professional Practice of Internal Auditing;
- audit coverage for the University of Louisiana System adequately encompasses all aspects of the System's operations and that coverage is not inhibited or limited by any individual or group;
- audit activities are responsive to executive management's needs and objectives;
- executive management is aware of internal audit activities, results of audits, and progress toward implementation of audit recommendations.

RESPONSIBILITY

Responsibilities of the Audit Committee include:

- ensuring that internal audit goals and objectives, staffing plans, financial budgets, and audit activities provide adequate support of System goals and objectives;

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- assessing the performance of the internal audit function;
- ensuring that the audit planning process, including the risk assessment methodology, considers appropriate aspects of the System's operations and executive management's concerns;
- approving the annual audit plan;
- ensuring that internal audit is given the opportunity to attend technical or professional development training to assist in keeping up to date with financial, management, internal control, and other relevant issues;
- reviewing the results of significant audit activities, audit reports, and auditee responses;
- monitoring the adequacy and timeliness of corrective actions taken in response to audit activities;
- monitoring audits performed by external auditors (e.g. State Legislative Auditor, Federal auditors, etc.);
- providing reasonable assurance that the universities' business goals and objectives are being achieved in an efficient and economical manner, within an appropriate framework of internal control and risk management;
- reviewing internal audit peer reviews and determining whether the function complies with Standards for the Professional Practice of Internal Auditing;
- reviewing and revising the System's Internal Audit Charter as needed;
- monitoring adherence to ethical standards within the university system related to compliance with laws and regulations, ethics, conflicts of interest, and investigation of misconduct and fraud;
- notifying executive management immediately and reviewing actions taken in the respective universities relative to significant frauds, violations of laws or regulations, and other significant issues raised by university, state, federal, or other agency auditors;
- appointing the System Director of Internal Audit based on recommendation from the System President.

MEMBERSHIP

The Audit Committee will be composed of five members. One member of the Committee will be appointed as Chair. As a guide, it is desirable that members of the Committee shall possess:

- acumen in business functions and management skills,
- understanding of best practice internal control and risk management,
- knowledge of information systems and emerging technology,
- competency in financial and operational reporting.

Members of the Audit Committee will, at all times in the discharge of their duties and responsibilities, exercise honesty, objectivity, and probity and not engage knowingly in acts or activities that have the potential to bring discredit to the System. Members also must refrain from entering into any activity that may prejudice their ability to carry out their duties and responsibilities objectively and must at all times act in a proper and prudent manner in the use of information acquired in the course of their duties. Members must not use System information for any personal gain for themselves or their immediate families or in any manner that would be contrary to law or detrimental to the welfare and goodwill of the System.

MEETINGS

The Audit Committee will meet as it deems necessary. Committee meetings should be scheduled in advance, members notified, and agenda topics assembled. The Director of Internal Audit will coordinate this activity. Prior to the meeting, the Director of Internal Audit will provide the Committee members with information relating to the status of audit activities. Such information should include, but not be limited to, audit reports, audit follow-up and the implementation of recommendations, management services, external audits, and other relevant information. In addition, annual audit plans, staffing plans, financial and budget reports, and other appropriate information essential for the Committee to fulfill its responsibilities, will be provided and reviewed as necessary.

A majority of members must be present to provide a quorum. Minutes shall be recorded and maintained in the University of Louisiana System Office.

APPROVED:

Chairman of the Board of Supervisors

Date

President of the University of Louisiana System

Date

Policy References:

Association of College & University Auditors
Institute of Internal Auditors

Review Process:

System Administration Staff
Legal Counsel

Distribution:

University Presidents
University Directors of Internal Audit