

California Polytechnic State University

Audit Committee Charter

Background

The Audit Committee (“Committee”) and related Audit Committee Charter were established on August 5, 2020.

Purpose

The purpose of the Committee is to provide structured, systematic oversight of California Polytechnic State University’s (“University”) risk management and internal control practices, including the Audit and Consulting Services (ACS) activity.

Composition and Meetings

The Committee will consist of nine members, with the President of the University serving as the chair of the Committee. The quorum for the Committee will be a majority of the members. The members should collectively possess sufficient knowledge of audit, finance, specific industry knowledge, information technology, law, governance, risk, and control. Because the responsibilities of the Committee evolve in response to regulatory, economic, and reporting developments, it is important to periodically re-evaluate members' competencies and the overall balance of skills on the Committee in response to emerging needs. Committee members may not send delegates to attend Committee meetings in their place. The Executive Director of Internal Audit (“EDIA”) and Associate Vice President of Financial Services will serve as Ex Officio, non-voting Committee members, and are required to attend all Committee meetings. The Committee Chair may invite non-Committee members to present to the Committee as deemed appropriate.

The Committee will meet at least two times annually or more frequently as the Committee deems necessary to fulfill its responsibilities hereunder. Minutes will be prepared by the Executive Assistant, Office of the Vice President Administration and Finance. Committee members are obligated to prepare for and participate in Committee meetings.

Authority and Responsibilities

The Committee Charter sets out the authority of the Committee to carry out the responsibilities established. As such, the Committee shall:

- Review and approve the annual ACS Audit Plan, ensuring it addresses high-risk areas.
- Review ACS reports and responses, and monitor the corrections of findings and completion of recommendations.
- Approve the ACS Charter and other documents related to ACS activities in the University.
- Assure the effectiveness of the ACS function, including its organizational structure, adequacy of staffing and budget, performance relative to its annual plan; and ensure proper access to information as needed.
- Monitor and provide oversight of ACS activity not included within the ACS Audit Plan (i.e. special investigations, investigations of fraud, etc.), ensuring that proper actions are taken.
- Consider the effectiveness of the University's control framework, including information technology security and control.

- Consult, when it deems appropriate, with University Counsel to determine whether independent counsel should be retained independent counsel and/or other advisors it deems necessary, and review reports on all matters of significance arising from work performed by other providers of financial and internal control assurance.
- Request, review and stay informed of the results of any special investigations.

Approval/Signature

President/Audit Committee Chair_____Date_____