



USF Board of Trustees Audit And Compliance Committee Charter

I. Purpose

The Audit and Compliance Committee (“Committee”) is established in accordance with the Florida Board of Governors Regulation 4.002(2) and 4.003(3). The Committee is appointed by the University of South Florida Board of Trustees (“Board”) Chair to assist the Board in its oversight responsibilities. This charter identifies the purpose, authority, and responsibilities of the Committee. The Committee plays a key role in fulfilling the Board’s governance responsibilities throughout the University of South Florida (“USF”) including its direct support organizations (“DSOs”).

II. Membership and Composition

The Committee consists of at least three members of the Board. The Chair of the Board is responsible for appointing the chair of the Committee as well as the additional members of the Committee. Members serve on the Committee until the Board Chair’s term ends or their departure from the Board, resignation, or replacement by the Chair of the Board.

The Committee should consist of at least one member with professional experience and expertise in the following areas: finance, accounting, financial reporting, auditing, risk management, or compliance. Other Committee members should have professional experience and expertise in at least one of the following fields: post-secondary education, non-profit administration, law, banking, finance, accounting, financial reporting, auditing, risk management, compliance, or information technology.

III. Meetings

The Committee meets as needed to fulfill its governance responsibilities. Any meeting of the Committee may be conducted through a telephone conference call or by any other technological means. A majority of the members of the Committee constitutes a quorum for the transaction of business.

Committee meetings shall be open and noticed to the public in accordance with Article I, Section 24 of the Florida Constitution and the requirements of Chapter 286, Florida Statutes.

The Committee may ask members of management or other individuals to provide pertinent information as necessary. In addition, the Committee may request special reports from USF or DSO management on topics that may enhance its understanding of its activities and operations.

Meeting agendas are prepared jointly by the Committee Chair, the Chief Audit Executive, and the Chief Compliance Officer. Meeting agendas and appropriate briefing materials are provided in advance to Committee members, and written minutes of the meetings are prepared. All records of the meetings are public records subject to Chapter 119 and Chapter 268, Florida Statutes, including any provisions for exemption.

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In addition to scheduled meetings of the full Committee, the Committee Chair meets with the Chief Audit Executive and the Chief Compliance Officer as needed.

IV. Authority and Governance

The Committee serves an important role in ensuring that processes are in place to meet USF's responsibility for financial and operational accountability, integrity, and efficiency, in compliance with applicable laws, regulations, rules, policies, and procedures.

The Committee has full and unrestricted access to all USF functions, including its DSOs and practice plans, activities, records, property, information systems, and personnel, including those records or activities exempt from the Public Records laws, needed to fulfill its responsibilities. The Committee members are responsible for ensuring confidential records obtained in the course of its activities are adequately secured and are not disclosed without established authority.

The Board authorizes the Committee to study or investigate any matter within the scope of responsibilities outlined in this charter. The Committee will inform the Board of such activities and results.

The Committee Chair may recommend the Board engage independent counsel and/or other advisors it deems necessary to carry out its duties.

V. Responsibilities

With regard to each topic listed below, the Committee is responsible for the following:

A. Internal Controls

Consider the economy, efficiency, and effectiveness of the financial and operational internal control systems, including information technology, by requesting and reviewing information from the Chief Audit Executive and external auditors about significant risks within USF and the DSOs.

Assess the adequacy of management's actions to identify, assess, and mitigate identified risks with strong control activities, information and communication, and monitoring processes.

B. Data Integrity

Review the adequacy of USF's information technology management methodology with regards to internal controls, including applications, systems, and infrastructure.

Review the adequacy of USF's data management policies and procedures to ensure data security and data integrity in institutional reporting.

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C. Financial Statements

Review the external auditors' review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

Review any disclosure of: 1) significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect USF's ability to record, process, summarize, and report financial data; and 2) any fraud, whether material or not, that involves management or other employees who have a significant role in USF's internal controls.

D. External Audit

Related to audits or other engagements performed by external auditors, including the State of Florida Auditor General, review with the external auditors and/or the Chief Audit Executive:

- Results of the engagement, which may include audited financial statements, an opinion letter, or other reports issued by the external auditors;
- Any material adjustments to the financial statements;
- Significant findings or recommendations; and
- Management letters issued by the external auditors, together with responses for addressing issues noted.

Perform annual reviews of DSOs' audit and financial reports in accordance with USF Regulation 13.002.

Review and contract with external auditors for special audits or reviews related to USF's affairs and report the results of any such special projects to the Board.

E. Internal Audit

Review the independence, qualifications, activities, performance, resources, and structure of the USF Office of Internal Audit ("Internal Audit") function and ensure no unjustified restrictions or limitations are made. Discuss with the Chief Audit Executive any difficulties encountered in the course of performing audits, including restrictions on the scope of work and access to required information.

Review and approve the proposed risk-based Internal Audit Work Plan and any subsequent changes for the upcoming fiscal year or the multi-year plan and ensure that it addresses key areas of risk based on risk assessment procedures performed by Internal Audit in consultation with management and the Committee.

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Obtain and review Internal Audit reports, including those concerning investigations to address significant and credible allegations relating to waste, fraud, or financial mismanagement.

Review the status of Internal Audit recommendations. Ensure that significant findings and recommendations made by Internal Audit auditors and management's proposed responses are received, discussed, and appropriately dispositioned.

Review the Internal Audit Annual Report. Review Internal Audit's performance relative to the work plan and the impact of any resource limitations.

Consult with the President, through the Committee Chair, on the hiring, dismissal, and compensation of the Chief Audit Executive in accordance with USF Policy 0-100, IV.B.2.(d).

Review the Internal Audit Charter at least every three (3) years.

Review the results of the quality assurance and improvement program including the external assessment performed every five (5) years.

F. Compliance & Ethics

Review the independence, qualifications, activities, resources, and structure of the USF Office of Compliance & Ethics ("Compliance & Ethics") function and ensure no unjustified restrictions or limitations are made.

Review and approve the Compliance & Ethics **program plan** and any subsequent changes.

Review the effectiveness of Compliance & Ethics in preventing or detecting noncompliance, unethical behavior, and criminal misconduct and ensure that it has appropriate standing and visibility across USF.

Ensure significant findings and recommendations made by the Chief Compliance Officer are received, discussed, and appropriately dispositioned.

Ensure procedures for reporting misconduct and criminal violations are well publicized and administered and include a mechanism that allows for anonymity or confidentiality, whereby members of the USF community may report or seek guidance without the fear of retaliation.

Review the effectiveness of USF for monitoring compliance with laws and regulations and management's investigation and follow-up (including disciplinary action) of any wrongful acts or non-compliance.

Obtain regular updates from the Chief Compliance Officer regarding Compliance & Ethics matters that may cause significant financial, legal, reputational, or operational impact to USF or its DSOs.

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Consult with the President, through the Committee Chair, on the hiring, dismissal, and compensation of the Chief Compliance Officer in accordance with USF Policy 0-100, IV.B.2.(d).

Govern the office of the Chief Compliance Officer under the Compliance & Ethics charter approved by the Board of Trustees and reviewed at least every three (3) years for consistency with applicable Board of Governors and USF regulations, professional standards, and best practices.

Review the results of the external review of Compliance & Ethics' design and effectiveness and any recommendations for improvement every five (5) years.

G. Reporting Responsibilities

Regularly update the Board about the Committee's activities and make appropriate recommendations.

Ensure the Board is aware of matters that may have a significant financial, legal, reputational, or operational impact to USF or its DSOs.

H. Evaluating Performance

Evaluate the Committee's own performance on a periodic basis and communicate the results of this evaluation to the Board.

VI. Charter Amendment, Review, and Approval

The charter for the USF Board of Trustees Audit and Compliance Committee may be altered, amended, or repealed by a majority vote of the Board members in attendance at any regular meeting, when notice of the proposed amendment or repeal is provided in the meeting notice. This charter shall be reviewed at least every three (3) years for consistency with applicable Board of Governors and USF regulations, professional standards, and best practices. A copy of the approved charter and any subsequent changes shall be provided to the Board of Governors.

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William Weatherford, Chair, Board of Trustees

Approved on: 12/07/2021

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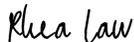


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Sandra Callahan, Chair of the Board of Trustees
Audit & Compliance Committee

Approved on: 12/07/2021

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Rhea Law, USF Interim President

Approved on: 12/07/2021