

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

AUDIT COMMITTEE

February 23, 2023

Item H.1. **University of Louisiana System’s** request for approval of the Audit Committee Charter for the System.

EXECUTIVE SUMMARY

The purpose of the Audit Committee Charter is to provide oversight to protect and strengthen the University of Louisiana System’s audit processes, compliance with laws and regulations, internal controls, enterprise risk management, and ethics.

RECOMMENDATION

It is recommended that the following resolution be adopted:

***NOW, THEREFORE, BE IT RESOLVED,** that the Board of Supervisors for the University of Louisiana System hereby approves the request for approval of the Audit Committee Charter for the System.*

UNIVERSITY OF LOUISIANA SYSTEM
BOARD OF SUPERVISORS
AUDIT COMMITTEE CHARTER

1. Purpose

The purpose of the Audit Committee is to provide oversight to protect and strengthen the University of Louisiana System's (System) audit processes, compliance with laws and regulations, internal controls, enterprise risk management, and ethics.

2. Chief Audit Executive and Chief Compliance Officer

The Chief Audit Executive and Chief Compliance Officer shall report to the Board of Supervisors through the Audit Committee directly and to the System President. The System President and the Chair of the Audit Committee have joint responsibility for the hiring, performance evaluation, and compensation of the Chief Audit Executive and Chief Compliance Officer.

3. Legislative Audit

The Committee:

- reviews and accepts the System's annual financial statement and the audit opinion prepared by the legislative auditor
- meets with the legislative auditor and confirms with management and the legislative auditor that the System's annual financial statements present fairly, in all material respects, the financial position, the respective changes in its financial position and its cash flows in accordance with generally accepted accounting standards
- follows through by receipt, discussion, and action, the timeliness of corrective actions taken in response to audit recommendations, reviews, accepts, and follows through on all other significant legislative audit activities and responses

4. Internal Audit

The Committee:

- exercises oversight of all internal audit functions to ensure audit coverage adequately encompasses all aspects of System operations

- reviews and approves the annual risk-based internal audit plan and receives interim progress reports at least quarterly
- reviews and approves the internal audit budget and resource plan, and any significant changes to the resource plan, to achieve the internal audit plan
- consults with the System President concerning the annual evaluation, compensation, promotion, or dismissal of the Chief Audit Executive
- receives periodic reports on internal audit's conformance with the Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing* and the Code of Ethics

5. Compliance with Laws and Regulations

The Committee:

- fulfills the Board of Supervisors' fiduciary responsibilities by seeking reasonable assurance that the System is in compliance with applicable laws, regulatory requirements, and policies
- reviews the activities and efficacy of existing compliance coordinating activities to ensure effective coordination and audit coverage
- reviews and approves the annual compliance plan and receives interim progress reports at least quarterly
- consults with the System President concerning the annual evaluation, compensation, promotion, or dismissal of the Chief Compliance Officer

6. Internal Controls and Enterprise Risk Management

The Committee:

- reviews and analyzes reports on the adequacy of the system of internal controls, including the recording and processing of financial information and the approval of transactions
- reviews reports on the adequacy of information technology security and controls
- promotes an enterprise-wide approach to assessing risks at each UL System member institution and reviews such assessments regularly
- receives a report from the System's leadership on the System's enterprise and risks management thereof
- inquires about significant financial risks or exposures in the System's functional areas and assesses the steps management has taken to mitigate such risks

7. Ethics and Conflicts of Interest

The Committee:

- oversees the process for relaying and addressing concerns regarding questionable accounting, auditing, or business practices; conflicts of interest; and potential fraud
- reviews institutional codes of conduct and oversees the systems for ensuring adherence to them
- oversees processes for ensuring compliance with ethics-related laws, regulations, and policies

Approved by the Board of Supervisors, _____

**BOARD OF SUPERVISORS FOR THE
UNIVERSITY OF LOUISIANA SYSTEM**

AUDIT COMMITTEE

February 23, 2023

Item H.2. **University of Louisiana System's** report on internal and external audit activity for the period of December 1, 2022 through February 19, 2023.

EXECUTIVE SUMMARY

Attached is a list of internal and external reports completed by various auditors since the December Board meeting. The internal audit reports are prepared based upon independent review of university departments and functions. The internal audits are designed to ascertain compliance with established policies and procedures, to evaluate operational efficiencies of business and management practices, and to determine adequacy of internal controls. The internal audits are conducted to provide management with recommendations and comments designed to improve the operations of university departments and functions. External audits are conducted in accordance with laws, regulations, or contracts. Also included are internal audits that are currently in progress.

This is a report only and no action by the Board is necessary.