

CAL POLY AUDIT COMMITTEE

Function

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

The Committee will have the authority to carry out the following responsibilities that will be covered within the Audit Committee Charter:

- Review the annual ACS audit plan, discuss the extent to which it addresses high-risk areas with the Executive Director of Internal Audit and management, and approve the final audit plan and all major changes to the plan.
- Review ACS audit reports and responses, and monitor the 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, performance relative to its annual plan, and ensure that ACS has access to the information necessary to complete its work.
- 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.

Membership

The Committee will consist of nine members:

- President (Chair)
- Vice President of Information Technology and Chief Information Officer
- Senior Vice President for Administration & Finance, Chief Financial Officer
- Provost and Executive Vice President for Academic Affairs
- Vice President for Student Affairs
- Vice President of Research and Economic Development
- One member that is independent of the University (Appointed by the President)

- The Executive Director of Internal Audit (Ex Officio, non-voting)
- Associate Vice President of Financial Services (Ex Officio, non-voting)

The President of the University will serve 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 Committee Chair may invite non-Committee members to present to the Committee.

Terms

Each voting member, listed above, will permanently continue to serve on the Committee, with the exception of the member that is independent of the University. The independent member will serve a two-year term and may serve up to two terms, at the direction of the President.

Staff

Administrative staff will be called upon to support the committee as needed.

Meetings

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 designated administrative staff. Committee members are obligated to prepare for and participate in Committee meetings.

Committee created August 2020