

# Audit Committee Charter

## 1. SIU Board of Trustees Vision and Commitment

The SIU Board of Trustees is committed to the highest standards of ethics and financial integrity at all levels of the University community starting with senior level University officials and extending to all ranks under the jurisdiction of the Board of Trustees.

## 2. Authority and Purpose

The Board of Trustees created the Audit Committee to assist it in discharging its oversight responsibilities. The Audit Committee will review the financial reporting process to ensure the reasonableness, transparency, and integrity of published financial information. The Audit Committee will also review: 1) the effectiveness of the institution's internal financial control and risk management system; 2) the effectiveness of the internal audit function; 3) the independent audit process; and 4) the institution's process for monitoring compliance with laws and regulations.

The Committee is responsible for maintaining free and open communication, as well as, effective working relationships among the Committee members, auditors, and management of the University. To perform her or his role effectively, each Committee member will need to develop and maintain her or his skills and knowledge, including an understanding of the Committee's responsibilities and of the organization's activities, operations, and risks.

## 3. Organization/Membership

- 3.1 **Appointment.** The Chair of the Board will appoint the chair and members of the Audit Committee. Members shall be appointed annually, with vacancies to be filled by appointment as they occur.
- 3.2 **Membership.** The Audit Committee shall consist of not less than three (3) members of the Board, and all members shall be and shall remain independent.
- 3.3 **Meeting with Auditors.** The Committee shall provide sufficient opportunity for the auditors to meet privately with the Committee, to the extent permitted by law.
- 3.4 **Meetings.** Meetings shall be held in accordance with the Illinois Open Meetings Act. The Chair of the Committee shall call meetings as appropriate, with the Executive Secretary handling the scheduling and appropriate notices.
- 3.5 **Staffing.** The Committee shall be staffed through the Office of the President.

#### 4. Roles and Responsibilities

With regards to each topic listed below, the Audit Committee shall:

- 4.1 **Financial reporting and disclosures.** Assess the financial reporting process implemented by management and provide direction to management as appropriate. This includes receiving management's briefings on significant accounting and financial reporting issues, recent professional and regulatory pronouncements, and the ramifications of the use of alternative financial information treatments. This also includes the review of financial statements and related footnotes, key accounting policies, the reasonableness of significant judgments, and the results of audit reports and findings.
- 4.2 **Internal controls.** Monitor and evaluate management's communication and review of internal controls, including those established for financial information systems.
- 4.3 **Compliance with laws and regulations.** Oversee and review the effectiveness of the system for monitoring compliance with legal and regulatory requirements, quarterly compliance reports, and the findings of regulatory agencies examinations.
- 4.4 **Compliance and ethics.** Establish, monitor, and review conflict and ethics laws, policies and procedures, and the Board and Management's adherence to the laws and policies. This includes procedures for the receipt, retention, and treatment of complaints about accounting, internal accounting controls, or auditing matters.
- 4.5 **Risk Management.** Monitor and evaluate management's communication and review of significant risks or exposures to the institution and the overall effectiveness of the risk management.
- 4.6 **Independent External Audit.** Oversee that significant findings and recommendations made by the external auditors result in appropriate management responses and actions.
- 4.7 **Internal audit.** Review the effectiveness of the internal audit function. This includes reviewing audit plans and reports, overseeing that significant findings and audit recommendations result in appropriate management responses and actions, and concurring with the appointment, reassignment, promotion or dismissal of the Executive Director of Internal Audit. Additionally, the Audit Committee shall ensure that SIU's internal audit function has sufficient authority to fulfill its duties.

Specifically, the Audit Committee will:

- Discuss with the chief audit executive and senior management the appropriate authority, role, responsibilities, scope, and services (assurance and/or advisory) of the internal audit function.
- Ensure the chief audit executive has unrestricted access to and communicates and interacts directly with the Audit Committee, including in private meetings without senior management present, when deemed necessary and held in accordance with the Open Meetings Act.
- Discuss with the chief audit executive and senior management other topics that should be included in the internal audit charter.
- Participate in discussions with the chief audit executive and senior management about the “essential conditions,” described in the Global Internal Audit Standards, which establish the foundation that enables an effective internal audit function.
- Approve the internal audit function’s charter, which includes the internal audit mandate and the scope and types of internal audit services.
- Review the internal audit charter annually with the chief audit executive to consider changes affecting the organization, such as the employment of a new chief audit executive or changes in the type, severity, and interdependencies of risks to the organization; and approve the internal audit charter annually.
- Review and provide feedback and concurrence on the risk-based internal audit plan.
- Review annually and provide input to the internal audit function regarding its use of resources, including human resources and budgetary.
- Provide input to senior management on the appointment and removal of the chief audit executive, ensuring adequate competencies and qualifications and conformance with the Global Internal Audit Standards.
- Review and provide input to senior management on the chief audit executive’s performance.
- Receive communications from the chief audit executive about the internal audit function including its performance relative to its plan.
- Ensure a quality assurance and improvement program has been established and review the results annually.
- Make appropriate inquiries of senior management and the chief audit executive to determine whether scope or resource limitations are inappropriate.

- 4.8 **Special Audits.** Arrange, in exigent circumstances and with the written concurrence of at least two other board members, through the committee chair special audits directly with the Executive Director of Internal Audit or any other person qualified to conduct such an audit.
- 4.9 **Audit Charter Evaluation.** Review and assess the audit committee charter. This includes ensuring approval or re-approval by the Board as needed.
- 4.10 **Board Reporting.** Report to the Board immediately any significant matters, and periodically Committee activities, recommendations, and assessments.

### **Adoption of Charter**

The Board of Trustees adopted this charter on September 12, 2024.