

INTERNAL AUDIT CHARTER

Adopted: 2/23/2024

GENERAL

- x With input from the President, review and recommend to the Board remuneration of the Chief Auditor, subject to applicable Board regulations.
- x Make inquiries of management and the Chief Auditor to determine whether there is

The Chief Auditor will confirm to the Risk Management Committee, at least annually, the organizational independence of the internal audit activity. Should the Chief Auditor determine that independence or objectivity be impaired, whether in fact or appearance, the details will be disclosed to the appropriate parties. Likewise, any interference and related implications in determining the scope of auditing, performing work, and/or communicating results will be disclosed to the Risk Management Committee.

RESPONSIBILITY

The scope of internal auditing encompasses, but is not limited to, the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management, and control processes as well as the quality of performance in carrying out assigned responsibilities to achieve the University's stated goals and objectives. This includes:

- x Evaluating risk exposure relating to achievement of the University's strategic objectives.
- x Evaluating the reliability and integrity of information and the means used to identify, measure, classify, and report such information.
- x Evaluating the processes and systems established to ensure compliance with those policies, plans, procedures, laws, and regulations that could have a significant impact on the organization.
- x Evaluating the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- x Evaluating the effectiveness and efficiency with which resources are employed.
- x Evaluating operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- x Monitoring and evaluating governance processes.
- x Monitoring and evaluating the effectiveness of risk management processes.
- x Performing consulting and advisory services related to governance, risk management, and control as appropriate for the University.
- x Reporting periodically on Internal Audit's purpose, authority, responsibility, and performance relative to its plan.
- x Reporting significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of or requested by the Risk Management Committee.
- x Evaluating specific operations at the request of the Risk Management Committee or management, as appropriate.
- x Investigate allegations of fraud at all institutions.
- x Giving due consideration to the scope of work of the external auditors and other regulatory agencies, as appropriate, for the purpose of providing optimal audit coverage to the University at a reasonable overall cost.

INTERNAL AUDIT PLAN

At least annually, the Chief Auditor will submit to senior management, for review, and the Risk Management Committee, for approval, an internal audit plan. The internal audit plan will consist of a work schedule as well as budget and resource requirements for the next fiscal year. The Chief Auditor will communicate the impact of resource limitations and significant interim changes to the President and the Risk Management Committee.

The internal audit plan will be developed based on a prioritization of the audit universe using a risk-based methodology, including input of senior management and the Risk Management Committee. The Chief Auditor will review and adjust the plan as necessary in response to changes in the University's business, risks, operations, programs, systems, and controls. Any significant deviation from the approved internal audit plan will be communicated to the President and the Risk Management Committee through periodic activity reports.

REPORTING AND MONITORING

Internal Audit ensures that the results of audits and other services are properly communicated to the appropriate management or operating personnel in the form of written reports, consultation, advice, or any other means. The Chief Auditor will authorize the issuance of all internal audit reports. Written reports include, or will be followed by, management comments itemizing specific actions taken or planned to resolve the reported finding and to ensure that operational objectives are achieved. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any recommended corrective action that will not be implemented. Internal Audit will be responsible for appropriate follow-up on engagement findings and recommendations. All significant findings will remain in an open issues file until cleared. The Chief Auditor will report to senior management and the Risk Management Committee any response to identified risks that may be unacceptable to the University.

The Chief Auditor shall report not less than quarterly to the Risk Management Committee and President and annually in writing to the entire Board on internal and external audit activities. Upon presentation to the President and acceptance by the Risk Management Committee, copies of the quarterly report will be provided to the Board.

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

Internal Audit will maintain a quality assurance and improvement program (QAIP) that covers all aspects of the internal audit activity. The program will include an evaluation of Internal Audit's conformance with the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The Chief Auditor will communicate to the President and the Risk Management Committee on Internal Audit's QAIP, including results of ongoing internal assessments and external assessments conducted at least every five years as well as conformance to the Standards.