

Executive & Audit Committee Charter Amendment

BACKGROUND

The OSU Board of Trustees is responsible for ensuring the currency of its governance policies and practices including the upkeep of committee charters as additional duties are assigned (Board Bylaws Articles IV and IX).

PROPOSED CHARTER AMENDMENTS

A review of the Executive & Audit Committee charter is timely to consider changes in practice, a more comprehensive description of the committee's areas of oversight that should be reflected in the charter. Proposed amendments to the charter are shown in red text and strikethrough in Attachment 1.

RECOMMENDATION

Staff propose that the Executive & Audit Committee recommend to the Board that it approve the changes to the committee charter and name as provided in Attachment 1.

Attachment 1

Executive, & Audit and Governance Committee Charter
(proposed amendments shown in red text)

The Executive-~~&~~, Audit **and Governance** Committee is established. The Committee is empowered to act for the Board in the case of emergency between regular Board meetings and to assist the University in its oversight of the University's financial practices, **ethics compliance, governance, claims, litigation and legal matters as provided in this policy. The Committee has the authority, through its Chair or a majority vote of its voting members, to ask management to address specific issues within the mandate of the Committee, as well as the authority to engage professional advisers to carry out its duties. and standards-of conduct, as provided in this policy.**

The Committee shall have the following five voting members: the Chair of the Board, the Vice Chair of the Board, the Chair of the Academic Strategies Committee, the Chair of the Finance & Administration Committee, and one at-large member appointed from among the remaining trustees. The President is an ex-officio, non-voting member of the Executive and Audit Committee. The Chair of the Board is the Chair of the Executive ~~&~~, Audit **and Governance** Committee.

The Committee is empowered to act for the Board if the Committee determines an emergency exists between regular Board meetings on any matter except the following, which shall be reserved for the Board: (1) **presidential** hiring, evaluation and removal **of the president**; (2) election of Board officers; (3) changes in the mission and purposes of the University; (4) amendments to the bylaws; (5) sale or purchase of real property; (6) condemnation of real property; (7) determination of tuition and mandatory enrollment fees; and (8) adoption of the University budget.

The Committee's areas of responsibility are to assist the Board in: (1) overseeing the institution's **standards-of-conduct compliance and ethics program**; (2) monitoring the University's **enterprise risk management and** internal control structure to ensure key risk, **legal**, compliance, and regulatory requirements are met **and** (3) overseeing audit activities, including internal and external audits **and** (4) **overseeing and providing strategic direction on matters pertaining to governance of the Board such as structure, composition, annual self-assessment, policy and effective trusteeship. As part of its responsibility to assist the Board in overseeing audit** these activities, the Committee is empowered to perform the following duties:

Compliance and Ethics Program

- Receive an annual report from the Office of Audit, Risk and Compliance on the accomplishments of the ethics and compliance program and review significant issues.
- Review results of significant compliance audits and examinations conducted by the University or by governmental agencies, external auditors or consultants engaged for specific purposes, and other outside authorities.
- Oversee and evaluate annually the effectiveness of the established university procedure for the confidential or anonymous submission and receipt, retention, and treatment of complaints via calls or hotline website of concerns.

Enterprise Risk

- Engage with the enterprise risk management process led by the Office of Audit, Risk and Compliance, which identifies, prioritizes, mitigates, monitors and audits enterprise risks, including those risks that have been given top priority.
- Review on an annual basis the institutional enterprise risk management program and review those university major risk exposures which the Board has assigned to the Committee for high level oversight.
- Ensure a meaningful distribution of risk oversight responsibilities to Committees of the Board.

External Audit

- Review and approve the selection of the external audit firm hired to perform the annual financial statement and federal compliance audit; and
- Review and accept the annual external audit of the OSU financial statements and federal compliance procedures.
- Discuss with management any identified deficiencies in internal controls or compliance and corrective action plans.

Internal Audit

- Annually review and approve the internal audit charter and organizational structure to confirm the Office of Audit, Risk and Compliance's organizational independence.
- Participate in the annual audit planning **risk assessment** process and approve the annual audit plan.
- At least four times a year on such dates as specified by the Committee Chair, review and approve audit reports detailing the results of recommendations and follow-up procedures and receive periodic reports as deemed necessary.
- Approve the appointment or removal of the Chief Audit, Risk and Compliance Executive of the Office of Audit, Risk and Compliance, as recommended by the President.

~~The Committee has the authority, through its Chair or a majority vote of its voting members, to ask management to address specific issues within the mandate of the Committee, as well as the authority to engage independent legal counsel and other professional advisers to carry out its duties.~~

Governance

- Consider nominations **and vote to recommend** to the Board ~~for~~ **election or re-election** of Board officers.
- **Oversee** needs assessment to guide the identification of potential candidates for vacant at-large positions on the Board and **review** the President's recommendations of candidates to forward to the Governor.
- **Review elements of proposed presidential compensation and make recommendations to the Board.**
- Review and make recommendations to the Board regarding acceptance of the Board Chair's report on both the President's annual and comprehensive assessments.

~~The Committee is also responsible for reviewing elements of proposed presidential compensation and making recommendations to the Board. The Committee also reviews and makes recommendations to the Board regarding acceptance of the Board Chair's report on the President's annual and comprehensive assessments.~~

Legal Matters

- ~~Receive an annual report from the General Counsel, who serves as the Chief Legal Officer of the University and represents the Board in legal matters. The Committee reviews with the General Counsel litigation, claims and other legal matters.~~

~~In addition, the Committee is responsible for such other matters as may be referred to it by the Board. The Offices of the Secretary to the Board and, the Chief Audit, Risk and Compliance Executive, and the General Counsel are responsible for providing staff support to the Committee.~~

Document History

- Adopted by the Board of Trustees January 9, 2014
- Amended March 13, 2014
- Amended July 18, 2014
- Amended October 20, 2017