Issue:  Finance & Audit Workgroup Responsibilities

Proposed action:  Approve revisions

Background information:  The Board of Trustees Finance & Audit Workgroup functions as the University’s audit committee. The University Audit & Compliance (UAC) Quality Assurance Review (report issued May 6, 2008) included the following recommendation:  The Finance and Audit Workgroup of the USF Board of Trustees should consider revising its roles and responsibilities documentation to include specific audit responsibilities and its relationship with UAC.

The Finance and Audit Workgroup’s roles and responsibilities are reflected on its website which lists the group’s primary administrative units (scope), responsibilities (authority), members (resources), links to prior meeting agendas and upcoming meeting dates (information), and reporting relationship (access to management).

Guidance:  The National Association of College and University Business Officers (NACUBO) recommends that the board should have an audit committee, or its equivalent, and the audit committee should have a charter that includes roles and authority language. The Institute of Internal Auditors (IIA) has issued guidance, including a sample charter, to provide internal audit functions with tools to assist their boards in meeting this expectation.  IIA Practice Advisory 2060-2, Relationship with the Audit Committee, states: “The CAE should assist the committee in ensuring that the charter, role, and activities of the committee are appropriate for it to achieve its responsibilities. The CAE can play an important role by assisting the committee to periodically review its activities and suggesting enhancements.”

Strategic Goal(s) Item Supports:  Goal IV
Workgroup Review:  Finance & Audit, 02/26/09
Supporting documentation:  Revised Finance & Audit Workgroup roles and responsibilities documentation
Prepared by:  Debra Gula
Primary administrative units: Chief Fiscal Officer, University Audit & Compliance, Academic Affairs, USF Health, Government Relations.

The Workgroup will assist the Board of Trustees in fulfilling its oversight responsibilities for the USF System’s financial reporting process, the system of internal control and enterprise-wide risk management, the audit process, and the process for monitoring compliance with laws and regulations and USF System policies.

The Workgroup will review and recommend to the Board of Trustees policies affecting financial affairs of the University USF System and the University’s the USF System’s relations with government. The Workgroup may meet jointly with other Board Workgroups to make determinations about issues with a financial impact on the University USF System, or recommendations from other Board Workgroups may be referred to the Finance & Audit Workgroup for assessment of fiscal implications.

The Workgroup’s responsibilities include:

**Budget and Finance:**

- Review and make recommendations regarding the University’s USF System’s legislative requests for operating and capital budgets for timely submission to the Florida Board of Governors (FBOG). Consult with the Regional Campus Boards on their Regional Campus operating budgets.

- Review financial status and make recommendations regarding direct support organizations, auxiliary enterprises and other support entities of the University USF System.

- Review on a continuing basis the financial status and needs of the University USF System and recommend policies for securing resources.

- Periodically review operating statements and reports made by the Director of Audits & Compliance to the President and reports by the state auditors regarding the University.

- Review the University’s USF System’s investment policies, and recommend proposals for modification as deemed necessary.

- Consider and recommend proposals with respect to general business and financial issues and approve issuance of debt instruments as permitted by Florida Statutes and FBOG rules.

- Review and recommend fees.

- Review the annual financial statements, and consider whether they are complete, consistent with information known to Workgroup members, and reflect appropriate accounting principles.
USF Board of Trustees
Finance & Audit Workgroup

- Review and discuss with management the USF System’s major policies with respect to risk assessment and enterprise-wide risk management.
- Consider the effectiveness of the USF System’s internal control system, including information technology security and control, cash handling and asset management.

**Internal Audit:**

- Review the effectiveness of the internal audit function, including compliance with the IIA’s International Standards for the Professional Practice of Internal Auditing.
- Have final authority to review and approve the annual internal audit work plan and all major changes to the plan.
- Periodically review audit reports issued by internal and external auditors and management’s implementation of recommendations.

**Compliance:**

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management’s investigation and follow-up (including disciplinary action) of any instances of noncompliance.
- Review and monitor the process for the anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

**Government Relations:**

- Review and recommend policies regarding the University’s USF System’s advocacy before state and federal governments.

**WORKGROUP MEMBERS**

**Trustee Appointments:** Rhea Law, Chair, John Ramil, Vice Chair, Lee Arnold, Jan Smith, Sherrill Tomasino

**Vice President:** James Hyatt

**Faculty Liaisons:** Associate Professor Stephanie Bryant, Chair and Professor Roger Peters, Associate Professor Gary Patterson

**Foundation Board Liaison:** Brian P. Keenan

**Staff:** Gina Lombardi, Lead Staff Member; Cindy Visot