Audit Committee: Article III, Section 3.5, Charter and Bylaws of Oberlin College

There shall be an Audit Committee. It shall review and audit the books and accounts of the College at least once in each year and at such other times during the year as it sees fit. The Committee shall select and employ independent certified public accountants to assist in such work, and shall report the result of its examination to the Board. The College’s Annual Financial Report shall be audited by the independent certified public accountants selected by the Committee, and shall be presented to the Committee and, for adoption, to the Board. The Board delegates to the Committee the authority to review and approve all informational tax reporting forms prior to filing with the IRS or other governmental tax agency. The Committee shall also ensure adherence to the Oberlin College Conflict of Interest Policy and Statement, and shall be authorized to receive, evaluate, and recommend actions to be taken with respect to legal and ethics compliance and similar types of complaints or allegations regarding the College’s financial or account practices.

Audit Committee Charter

Purpose
The Audit Committee shall assist the board of trustees in oversight of: financial reporting and auditing processes, internal control systems, risk management processes, and systems for monitoring compliance with codes of conduct and with laws and regulations. In fulfilling its duties the committee will assess the organizational culture, control climate, capabilities, processes and systems at the college. The Audit Committee shall make an annual report to the board in conjunction with the College’s staff liaisons.

Authority
The Audit Committee has authority to conduct or authorize investigations into any matters within its scope of responsibilities. The Committee shall have the authority to engage outside experts, such as accountants, attorneys, or actuaries, to advise or assist in the conduct of an investigation.

Composition
The Audit Committee will consist of at least four but no more than five independent voting members of the board of trustees. These trustees shall include, on an ex officio basis, the Chair of the Board of Trustees and the Chairs of the Budget and Finance, Development, and Investment Committees, with the Board and Committee Vice-Chair(s) participating in the absence of the Chair(s). The Committee shall have access to financial expertise: at least one member shall have an understanding of generally accepted accounting principles and auditing standards as well as an understanding of financial statements, internal control, audit committee functions, and not-for-profit financial issues. The Vice President for Finance; Vice President, General Counsel and Secretary; Associate Vice President for Finance; and Controller are the staff liaisons.

Meetings
The Committee will meet at least four times per year. Management, external auditors and others will be invited as appropriate. The Committee shall meet privately with management and in executive session with external auditors, as appropriate. The Committee shall review its charter on an annual basis and adopt any appropriate modifications to address new laws, regulations, or other applicable standards.
Responsibilities:

Internal Controls
- in consultation with management and independent auditors, consider and evaluate the adequacy and effectiveness of the college’s system of internal controls, including computerized information systems and security, and ensuring that all individuals involved have an understanding of their roles and responsibilities;
- review the reliability and integrity of financial and operating information and the means used to identify, measure, classify and report such information;
- review and investigate any matters pertaining to the integrity of management, including conflicts of interest, or adherence to standards of business conduct;
- understand the scope and results of review of internal controls to ensure that significant findings and recommendations made by external auditors are received, discussed and acted upon in an appropriate and timely manner.

Financial Reports
- review the annual financial statements and other external financial reports and determine whether they are consistent with the information known to committee members;
- review, in advance of final issuance, the proposed formats and wordings of the annual financial report, including the financial statements, footnotes and statistics;
- review with management and external auditors all matters required by their professional standards to be communicated to the committee, including whether the financial statements reflect appropriate accounting principles and disclose all material financial positions, arrangements, obligations, and other relationships of the College that may have a material effect on financial condition;
- review significant accounting and reporting issues, highly judgmental areas and unusual transactions, and recent changes in rules or regulations; and understand their impact on financial reports.

Compliance
- review and approve the annual filing of the IRS Form 990, the IRS Form 990-T, and other informational tax filings as deemed appropriate;
- review the effectiveness of systems, processes and controls established to ensure compliance with policies, plans, procedures, laws and regulations;
- review the results of investigations and instances of noncompliance;
- provide oversight regarding the College’s Conflict of Interest Policy;
- receive complaints under the College’s Fraud Hotline;
- review select credit card and expense account records for members of College’s senior administration as appropriate;
- review any reports and updates on compliance matters.
External Audit
- review the proposed audit scope and approach, including use of internal staff and select a firm of independent certified public accountants to audit the financial statements of the College;
- review and execute the annual audit engagement letter, to be signed by Chair of Audit Committee following the Board’s approval of the engagement of the external auditors;
- review the performance of the external auditors annually;
- review and confirm the external auditors’ assertion of their independence in accordance with professional standards;
- meet in executive session with external auditors as appropriate.

Risk Management
- in consultation with management, consider and evaluate organizational processes for identifying, managing and mitigating financial risk (including review of insurance coverage adequacy for primary risks);
- receive updates on litigation involving significant issues or disputes over material amounts;
- review select disaster and business continuity plans.

Other Fiduciary Responsibilities
- review and approve College policies relating to revision of institutional fund descriptions

Approved 10/07/16