

**APPROVAL OF A REVISION TO THE
AUDIT COMMITTEE CHARTER**

RESOLUTION NUMBER 2023-34

WHEREAS, the current State Board Audit Committee Charter (“Committee Charter”) was last approved by the Board in April 2006, and,

WHEREAS, the titles of certain employees have changed, and

WHEREAS, the Board wishes to update the Committee Charter to reflect the current job titles as of August 2023, and

WHEREAS, the current Internal Audit Department Charter (“Department Charter”) was last adopted in April 2006, and

WHEREAS, the current Department Charter should also reflect the current job titles as of August 2003.

NOW THEREFORE BE IT RESOLVED that the State Trustees of Ivy Tech Community College of Indiana do hereby approve the changes to the attached Audit Committee and Department Charters.

**STATE BOARD OF TRUSTEES IVY
TECH COMMUNITY COLLEGE
OF INDIANA**



Stephanie Bibbs, Chair



Kim Emmert O'Dell, Secretary

Dated August 3, 2023

Audit Committee Charter
State Board of Trustees
Ivy Tech Community College of Indiana

The Audit Committee of Ivy Tech Community College State Board of Trustees will meet regularly in conjunction with scheduled State Board of Trustee meetings. The purpose of the committee will be to assist the Board of Trustees in fulfilling its oversight responsibility for financial reporting, internal control, audit processes and compliance with laws and regulations.

AUDIT COMMITTEE COMPOSITION

Each member of the Audit Committee shall be a member of the Board of Trustees and shall otherwise be independent and free from any relationship that would interfere with the application of independent judgment. No employee of the College may serve as a member of Audit Committee.

At a minimum, the Audit Committee will consist of no less than two members of the State Board of Trustees, and will be staffed by the Assistant Vice President of Internal Audit.

At least one member of the Audit Committee is expected to possess financial expertise. Financial expertise is defined as:

- An understanding of generally accepted accounting principles and financial statements.
- The ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves.
- Experience in preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues generally comparable to the issues reasonably expected to be raised by the College's financial statements.
- An understanding of internal controls.
- An understanding of Audit Committee functions.
- Other relevant experience.

AUDIT COMMITTEE AUTHORITY

The Audit Committee shall obtain pertinent information, become knowledgeable, and provide advice and recommendations to the full Board of Trustees with regard to financial oversight, operating risk, and systems of internal control. The Audit Committee is not vested with decision making authority on behalf of the full Board of Trustees.

Although, by statute the Indiana State Board of Accounts serves as the College's independent auditor for the purposes of financial statements and federal awards audit, the Audit Committee may:

- Engage independent auditors, counsel, consultants or other advisors, as necessary to carry out its duties. Conduct or authorize investigations into any matters considered necessary to achieve its purpose. The Audit Committee will authorize the engagement, dismissal, oversight and compensation of any auditor/consultant necessary to fulfill this charge. The College will make available any funding necessary to facilitate this

charge. The Audit Committee will receive and review all reports related to the above noted investigations/reviews and distribute them expeditiously to the appropriate College personnel. For all non-state and federal auditors, the Assistant Vice President of Internal Audit shall serve as the liaison, and will provide the Audit Committee with regular updates regarding the work being performed.

- Request information from campus administrators, faculty, staff and other institutional representatives, all of whom are directed to fully cooperate with the Committee's request.
- Per State Board Resolution 2007-78: The Audit Committee shall have functional and exclusive authority and oversight of the Assistant Vice President of Internal Audit, the Internal Audit Department, the Internal Audit budget, the Internal Audit staffing size and plan, and market based salary adjustments for Internal Audit personnel.

AUDIT COMMITTEE RESPONSIBILITIES

Inquire of management, the Assistant Vice President of Internal Audit, and the external auditors about significant risks or exposures facing the organization; assess the steps management has taken or proposes to take in order to minimize such risks to the organization; and periodically review compliance with such steps.

During the course of its meetings the Assistant Vice President of Internal Audit shall review with the Audit Committee:

- Any significant findings on internal audits issued since the last meeting and management's response thereto.
- Any difficulties in the course of its audits, such as any restrictions on the scope of its work or access to required information.
- Any changes required in the scope of its internal audit.

Review both the Audit Committee Charter and the Internal Audit Department Charter on an annual basis, reassess the adequacy of these charters, and recommend any proposed changes to the full State Board of Trustees.

Review the Annual Internal Audit Schedule.

Review with management and the external auditor the effect of any regulatory and accounting initiatives, as well as off-balance-sheet transactions, if any.

Review with the College Counsel and the Assistant Vice President of Internal Audit, legal and regulatory matters that, in the opinion of management, may have a material impact on the financial statements, related organization compliance policies, and reports received from any regulatory agency.

On an annual basis, review the organization's code of conduct/ethics.

Review the procedures for the receipt, retention, and treatment of complaints received regarding accounting, internal accounting controls, or auditing matters that may be submitted by any party internal or external to the organization.

Review procedures for confidential, anonymous submission by employees of concerns regarding questionable accounting or internal controls.

The Audit Committee will perform such other functions as assigned by the Trustees' charter or bylaws, or the State Board of Trustees.

AUDIT COMMITTEE'S RELATIONSHIP WITH STATE AND FEDERAL AUDITORS

By law, the Indiana State Board of Accounts serves as the external auditor for the College for the purpose of issuing an opinion on the College's financial statements and for the completion of federally required reviews. Federal and State agencies however, may also conduct certain program or financial audits. The Assistant Vice President of Internal Audit, together with appropriate staff from other departments, shall serve as the liaisons with the above noted parties. The Assistant Vice President of Internal Audit will provide the Audit Committee with regular updates regarding their work.

The Audit Committee will receive and review all audit reports and/or management letters issued by the external auditors.

Members of the Audit Committee are invited to attend all entrance and exit conferences conducted by the external auditors/consultant, and will be notified of the date, time, and location of all scheduled entrance and exit conferences.

The Audit Committee will schedule meetings as needed in order to discuss any audit concerns and/or issues including:

- The adequacy of the organization's internal controls, including computerized information systems controls and security.
- Any related significant findings and recommendations of the independent auditors and internal audit services together with management's responses thereto.
- Whether the auditors/consultant encountered any difficulties in the course of their audits, such as any restrictions on the scope of its work or access to required information.

Meetings will be held with the Indiana State Board of Accounts' auditors at a minimum of once per year.

AUDIT COMMITTEE RELATIONSHIP WITH NON-STATE OR FEDERAL AUDITORS/CONSULTANTS

For the purpose of this section, external auditor/consultant is defined as any individual, company/firm, or non-state agency that is engaged to assess operational risk, internal controls or issue an opinion on the financial status of the College or the College's system of internal controls and is not employed by the State of Indiana or the United States Government.

The Audit Committee shall authorize the hiring, dismissal, oversight and compensation of any external auditor/consultant. In order to help accomplish this role, the Assistant Vice President of Internal Audit will serve as the lead liaison with the above noted parties and will provide the Audit Committee with regular updates regarding their work.

The Audit Committee will receive and review all audit reports and/or management letters issued by the external auditors.

Members of the Audit Committee are invited to attend all entrance and exit conferences conducted and will be notified of the date, time, and location of all scheduled entrance and exit conferences.

The Audit Committee will review and approve any non-audit activities.

The Audit Committee will schedule meetings, as needed. Meetings will take place at a minimum of once per engagement in order to discuss any audit concerns and/or issues including:

- The adequacy of the organization's internal controls, including computerized information systems controls and security.
- Any related significant findings and recommendations together with management's responses thereto.
- Whether the auditors/consultant encountered any difficulties in the course of their audits, such as any restrictions on the scope of its work or access to required information.