BOARD OF TRUSTEES

AUDIT COMMITTEE CHARTER

Adopted:	September 2, 2026
Last reviewed:	September 2, 2026

1. Purpose and Role

The Audit Committee assists the Board in fulfilling its oversight responsibilities for the integrity of the University's annual financial statements and Single Audits; compliance with legal and regulatory requirements; the internal audit function; engagements with external, internal, local, and federal auditors; internal controls and risk-management practices; audit findings and corrective actions; and compliance with University policies and procedures, as provided in Article VI, Section 1(h) of the Bylaws.

The Committee serves as the Board's principal agent for independent audit oversight and provides advice and recommendations within its assigned responsibilities. Management remains responsible for preparing accurate financial statements, maintaining effective internal controls, managing risk, operating compliance programs, and implementing corrective actions. The Committee does not perform or direct day-to-day University operations.

2. Authority and Access

- Conduct or authorize investigations into matters within the Committee's scope.
- Request information and documentation from University officers, employees, external parties, and other sources as reasonably necessary to fulfill the Board's fiduciary oversight responsibilities and support applicable accreditation reporting. University personnel are expected to cooperate with authorized Committee requests, subject to applicable law and privilege.
- Meet with University officials, the Internal Auditor, external auditors, local or federal auditors, legal counsel, compliance personnel, risk-management personnel, or others as necessary.
- Have direct and unrestricted access to the Internal Auditor and external auditors and provide those persons direct access to the Committee and its Chair.
- Ensure that the internal audit function is free from inappropriate limitation or interference in determining the scope of internal auditing, performing its work, communicating results, and accessing the records, personnel, systems, and physical property necessary to fulfill its responsibilities.
- Select and approve the engagement of the external auditor and oversee the auditor's compensation, independence, scope, performance, and, when appropriate, replacement, consistent with the Bylaws and applicable procurement requirements.
- Retain independent auditors, counsel, risk-management advisers, or other advisers with appropriate expertise when authorized through applicable Board or University procedures.
- Establish subcommittees when appropriate, provided that a majority of each subcommittee is composed of trustees and delegated work is reported to the Committee and Board as required.
- The Committee may not approve matters reserved to the full Board by law or the Bylaws, perform management functions, prepare accounting records or financial statements, or compromise the independence of the internal or external auditors.

3. Membership, Leadership, and Independence

- As required by Article VI, Section 1(h) of the Bylaws, the Committee shall consist of two outside members who are qualified financial experts and three members of the Board, at least one of whom is a qualified financial expert.
- A Board member who is a qualified financial expert shall serve as Committee Chair. Another Board member shall serve as Vice Chair. The Board Chair appoints the members, Chair, and Vice Chair in conformity with the Bylaws.
- Outside members are non-trustee Committee members. Under Article VI, Section 3(b) of the Bylaws, non-trustee members serve three-year terms unless earlier removed by the Board.
- The Audit Committee Chair shall not simultaneously serve as Chair of the Finance and Budget Committee.
- The Board Chair and Secretary to the Board serve as ex officio members under the Bylaws.
- Committee members shall be independent of the audit work they oversee, disclose actual or potential conflicts, and recuse themselves when required.
- Each member should understand the Committee's responsibilities. At least the number of members required by the Bylaws must satisfy the Board's definition of "qualified financial expert."

4. Meetings and Procedures

- The Committee shall meet at least quarterly, aligned whenever practicable with external-audit milestones, the internal-audit plan, and the University's quarterly financial-reporting cycle, and more frequently when necessary to discharge its responsibilities.
- The Committee Chair shall designate meeting dates and places. Meetings may be conducted by telephone, video conference, or other means that allow all members to participate, speak, and be heard, as permitted by the Bylaws.
- A quorum consists of a majority of the Committee membership. Action requires a majority vote of the members present after a quorum is established. The Committee may act without a meeting through the unanimous written consent of its entire membership, as permitted by the Bylaws.
- Notice shall be provided to Committee members and the public in the manner and within the time required by the Bylaws and applicable law. At the time of this Charter, the Bylaws require at least five calendar days' advance notice for committee meetings.
- General parliamentary rules, including Robert's Rules of Order as modified by Board rules, shall govern Committee proceedings.
- Agendas and materials should be distributed sufficiently in advance to support informed deliberation. Items should be identified, as applicable, as For Information, For Discussion, or For Action. Materials supporting a requested action should identify the issue, the proposed recommendation and its source, significant risks, financial implications, and the specific action requested.
- Minutes shall document attendance, evidence and reports reviewed, significant deliberation, decisions or recommendations, recusals, follow-up actions, and responsible parties. The Secretary to the Board is custodian of committee minutes under the Bylaws.
- The Committee may invite University officers, employees, counsel, auditors, advisers, or other persons to attend all or part of a meeting when their participation will assist the Committee. Attendance does not confer voting rights.
- The Committee shall meet periodically in executive session, without management present, with the Internal Auditor and external auditor. It may also meet separately with management or legal counsel as appropriate.

5. Responsibilities and Duties

In carrying out the duties below, the Committee shall provide oversight supporting the University's compliance with applicable accreditation requirements, including MSCHE Standard VI, Planning, Resources, and Institutional Improvement, and Standard VII, Governance, Leadership, and Administration, as they relate to financial sustainability, audit completion, internal controls, enterprise risk, and documented corrective action.

5.1 Financial Reporting

- Review with management and the external auditor the annual financial statements, Single Audits, significant accounting policies and estimates, unusual or material transactions, proposed audit adjustments, unadjusted differences, disclosures, and changes in accounting principles.
- Review the scope and results of external, internal, local, and federal audits and matters required to be communicated to the Committee.
- Review material written communications between auditors and management, including management letters, internal-control findings, and management responses.
- Review with management and legal counsel legal or regulatory matters that may materially affect the financial statements or the University's financial condition.
- Address material disagreements between management and auditors regarding financial reporting and report unresolved matters to the Board.
- Recommend the audited financial statements and related matters to the full Board for approval when Board approval is required.

5.2 External Audit

- Oversee the external auditor's engagement, independence, audit scope and timetable, performance, compensation, and, when appropriate, replacement. Participate in entrance and exit conferences and review the audit plan, timetable, significant risks, results, management responses, and barriers to timely completion.
- Evaluate the external auditor's independence, including relationships and services that could affect objectivity.
- Meet privately with the external auditor at least annually and whenever circumstances warrant.
- Monitor management's completion of information and corrective actions necessary to support timely audits and communicate significant delays or risks to the Board.

5.3 Internal Audit

- Provide oversight and direction of the internal audit function, which reports administratively to the President and in all other respects to the Audit Committee under the Bylaws.
- Provide advance consultation and consent regarding appointment or removal of the Internal Auditor as required by the Bylaws.
- Review and approve the Internal Audit Charter, risk assessment, annual audit plan, material changes to the plan, staffing, budget, resources, independence, and performance.
- Ensure that the Internal Auditor has direct and unrestricted access to the Committee Chair and members.
- Receive internal audit reports and monitor management responses, responsible parties, target dates, overdue items, accepted risks, and closure of corrective actions.
- Authorize special reviews or investigations within the Committee's jurisdiction while protecting Internal Audit's independence and objectivity.

5.4 Internal Controls, Enterprise Risk, Cybersecurity, and Privacy

- Review the design and effectiveness of internal accounting, financial-reporting, operational, and information-technology controls.
- Review the University's enterprise-risk assessment and receive periodic reports on its highest financial, operational, compliance, strategic, technology, cybersecurity, privacy, safety, and reputational risks.
- Monitor management's risk-mitigation actions and elevate significant or unresolved risks to the full Board.
- Review cybersecurity, information-security, privacy, business-continuity, and disaster-recovery risks and controls at least annually.

5.5 Compliance, Ethics, Fraud, and Investigations

- Review the University's processes for monitoring compliance with laws, regulations, policies, and procedures.

- Ensure procedures exist for receiving, retaining, investigating, and resolving complaints concerning fraud, waste, abuse, accounting, auditing, internal controls, or retaliation.
- Receive reports on significant allegations, investigations, findings, corrective actions, and accepted risks within the Committee's jurisdiction, consistent with confidentiality and legal requirements.
- Coordinate with the Governance Committee on Board conflicts of interest and governance-related ethics matters while retaining responsibility for audit, control, and financial-integrity concerns.

5.6 Form 990 and Other Required Reporting

- Review the University's Form 990 and related governance and financial disclosures before filing or presentation to the Board, consistent with the process approved by the Board.
- The Vice President for Administration and Finance/Chief Financial Officer is responsible for overseeing the preparation, review, authorization, distribution, and filing of the University's Form 990 and for presenting it to the Audit Committee and the Board, as appropriate.

6. Relationship to Other Committees and University Leadership

- Coordinate with the Finance and Budget Committee on financial reporting, audit timing, financial risks, liquidity, and corrective actions, while preserving the Audit Committee's independent-assurance role and avoiding duplication.
- Coordinate with the Governance Committee on conflicts of interest, ethics, compliance, and annual charter review.
- The Internal Auditor serves as the Committee's principal resource for independent internal-audit assurance and maintains direct functional accountability to the Committee as established by the Bylaws and Internal Audit Charter. The President, Chief Financial Officer, Controller, legal counsel, and other administrators provide information and participate at the Committee's request without assuming the Committee's responsibilities.

7. Reporting to the Board

- The Committee Chair, or the Chair's designee, shall report on Committee activities at regular and special meetings of the Board, as required by the Bylaws.
- Reports shall identify matters reviewed, recommendations requiring Board action, significant risks or unresolved issues, and follow-up expected of the Committee or University administration.
- Approved minutes, recommendations, reports, and evidence of completed follow-up shall be maintained in the Board's governance records repository.

8. Annual Audit Calendar

- The Committee shall adopt and maintain an annual calendar covering the external audit plan and results; auditor independence; audited financial statements, Single Audit plans, and management letters; internal audit risk assessment and plan; corrective-action follow-up; enterprise risk; cybersecurity and privacy; compliance and investigations; Form 990; and annual Committee and Charter review.
- The Committee shall adopt its annual audit calendar at its first meeting following the annual meeting of the Board and update it as necessary throughout the Board year.

9. Evaluation and Charter Review

- The Committee shall assess its performance annually against this Charter and its annual work plan and shall identify needed improvements in information, expertise, meeting practices, or follow-up.
- The Committee shall review this Charter at least annually, preferably before the final regular Board meeting of each Board year, and submit proposed revisions to the Governance Committee for review before recommendation to the full Board.
- This Charter and any amendment become effective only upon approval by the Board of Trustees. If a provision conflicts with applicable law or the Bylaws, applicable law and the Bylaws control.

10. Governing References

- UVI Bylaws, Article IV, Section 2(f); Article V, Sections 3 and 4; and Article VI, Sections 1(h) and 3-9.
- UVI Audit Committee Charter adopted June 12, 2010, as the predecessor charter to be superseded upon adoption of this Charter.
- UVI Internal Audit Charter, as amended and approved by the Board.
- The Institute of Internal Auditors' Global Internal Audit Standards, as applicable.
- Middle States Commission on Higher Education, Standards for Accreditation and Requirements of Affiliation, Fourteenth Edition (2023), including Standard VI – Planning, Resources, and Institutional Improvement, and Standard VII – Governance, Leadership, and Administration.
- UVI Conflict of Interest and Disclosure Policy and other Board-approved audit, risk, ethics, and compliance policies, as applicable.