UNIVERSITY OF WISCONSIN SYSTEM BOARD OF REGENTS
AUDIT COMMITTEE CHARTER

1. Purpose

The purpose of the Audit Committee is to take appropriate actions to protect and strengthen the University of Wisconsin System's audit processes, compliance with laws and regulations, internal controls, enterprise risk management, and ethics.

2. Chief Audit Executive

A Chief Audit Executive shall report to the Board of Regents through the Audit Committee directly and to the System President. The System President and the Chair of the Audit Committee have joint responsibility for the hiring, performance evaluation and compensation of the Chief Audit Executive.

3. External Audit

The Committee:

- reviews and accepts the System's annual financial statement and the audit opinion prepared by its external auditor, the Wisconsin Legislative Audit Bureau

- meets with the external auditor and confirms with management and the external auditor that the financial statements disclose all material information

- follows through by receipt, discussion, and action, the timeliness of corrective actions taken in response to audit recommendations

- reviews, accepts, and follows through on all other significant external audit activities and responses

4. Internal Audit

The Committee:

- exercises oversight of all internal audit functions to ensure audit coverage adequately encompasses all aspects of System operations

- facilitates cooperative relationships with external auditors, including the Wisconsin Legislative Audit Bureau

- reviews in advance all plans for audit and non-audit services provided by external auditors other than the Legislative Audit Bureau or as otherwise required by law
• after consultation with the System President and the Chief Audit Executive, reviews and analyzes the Office of Internal Audit's structure, staff qualifications, independence, operating budget, and activities

• reviews and approves the annual internal audit plan and receives interim progress reports at least quarterly

• consults with the System President concerning the annual evaluation, compensation, promotion, or dismissal of the Chief Audit Executive

• receives periodic reports on audit staff performance

5. Compliance with Laws and Regulations

The Committee:

• fulfills the Board of Regents' fiduciary responsibilities by seeking reasonable assurance that the System is in compliance with applicable laws, regulatory requirements, and policies

• reviews the activities and efficacy of existing compliance coordinating activities to ensure effective coordination and audit coverage

6. Internal Controls and Enterprise Risk Management

The Committee:

• reviews and analyzes reports on the adequacy of the system of internal controls, including the recording and processing of financial information and the approval of transactions

• reviews reports on the adequacy of information technology security and controls

• promotes an enterprise-wide approach to assessing risks at each UW institution and reviews such assessments regularly

• receives a report from the System's leadership on the System's strategic risks

• inquires about significant financial risks or exposures in the System's functional areas and assesses the steps management has taken to mitigate such risks
7. Ethics and Conflict of Interest

The Committee:

- oversees the process for relaying and addressing concerns regarding questionable accounting, auditing, or business practices; conflicts of interest; and potential fraud
- reviews institutional codes of conduct and oversees the systems for ensuring adherence to them
- oversees processes for ensuring compliance with ethics-related laws, regulations, and policies

Adopted by the Board of Regents, September 6, 2013