

University of Maine System
Board of Trustees

Audit Committee
Duties and Responsibilities

Committee established: July 1988

Last Revised: 7/11/1988; 10/21/2008; 8/23/2010; 5/23/2011

The Audit Committee shall monitor the adequacy and integrity of the University of Maine System's (System) internal controls, financial reporting, compliance with legal and regulatory requirements and ethics reporting.

Committee Authority

Bylaws – Section 3

The primary duties and responsibilities of the Committee shall be to:

1. Recommend for initial appointment by the Board the independent public accountant for the System.
2. Review and approve the annual audit scope and fees of the independent public accountant.
3. Review the independence of the independent public accountant and management's evaluation of this independence.
4. Review and approve the scope of other professional services performed or to be performed by any independent public accountant as well as the related fees and consider the possible effect that these services could have on the independence of such accountant.
5. Discuss with the independent public accountant the result of its audit of the prior year.
6. Review with management and the independent public accountant all significant issues concerning litigation contingencies, claims or assessments and all material accounting changes which require inclusion in the footnotes to the annual financial statements. This review should include a discussion of recent Governmental Accounting Standards Board (GASB) or other pronouncements that have a material impact on the System. GASB is the independent organization that establishes and improves standards of accounting and financial reporting for U.S. state and local governments.
7. Monitor instances where management seeks second opinions on significant accounting issues.
8. Review management's evaluation of the adequacy of the System's internal controls and the extent to which major recommendations made by the independent public accountant and the System internal auditors have been implemented.

9. Review the internal audit services contracted for by the System.
10. Review the audit results of governmental and independent auditors engaged for specific purposes.
11. Monitor compliance with all Federal and State legal and regulatory requirements including research controls and commercialization of Intellectual Property.
12. Monitor implementation of appropriate information security measures.
13. Monitor compliance with Section VI of the UMS Student Conduct Code (Policy Manual Section 501).
14. Review NCAA annual financial agreed-upon procedures reports and external compliance reports. Review the campus schedule to ensure that the entire rules compliance program receives an external comprehensive review at least once every four years.
15. Oversee the System efforts for enterprise risk management, to include the identification, assessment and prioritization of risks, as well as the development of action plans to address risks and progress towards mitigation.
16. As deemed appropriate by the Committee, unless otherwise specifically directed by the Board of Trustees, it shall direct and supervise an investigation into any matter within the scope of its duties and responsibilities. In connection with any such investigation, the Committee shall have the authority to utilize the System staff and other resources and to employ outside counsel or consultants at System expense.

Membership of the Committee

The Audit Committee shall be made up of at least three voting members of the Board of Trustees. The Chair and Vice-Chair of the Board and the Chancellor shall be ex-officio members, but the Chancellor shall have no vote. The Audit Committee can only include persons who are members of the Board.

Meetings

The meetings of the Committee ordinarily shall be called by the Committee Chair, but may be called by the Chair of the Board or a majority of the Committee.

Staff to the Committee

The Audit Committee shall be staffed by the Vice Chancellor for Administration and Finance and Treasurer.