

Audit Committee Charter

Mission

The Mission of the Audit Committee is to oversee identification and mitigation of all areas of risk through internal controls, external audits, internal audits, financial statements, compliance, and risk management programs.

Responsibilities

The Audit Committee's principal responsibility is one of oversight.

1. Internal Control
 - a. Be informed about institutional and outside principles, practices, and procedures for risk oversight.
 - b. Review the institution's accounting and financial-reporting controls with senior management and outside auditors.
 - c. Make certain that the internal and external auditors keep the Audit Committee informed about deficiencies in internal control, as well as any instances of fraud, unlawful acts, and other audit-related matters.
 - d. Ensure that internal-control recommendations made by internal and external auditors have been implemented by the institution.
 - e. Approve which aspects of internal-control and compliance procedures should be tested annually by internal and external auditors.
 - f. Understand the nature of significant deficiencies and material weaknesses reported to the Committee.
2. External Audit
 - a. Procure external audit services. The external auditor will be selected by and report to the Audit Committee.
 - b. Review the scope and general extent of the outside auditor's annual audit.
 - c. Review annually with senior management the fee arrangement with the outside auditors.
 - d. Inquire as to the independence of the outside auditors and obtain at least annually a formal written statement on all relationships between them and the institution.
3. Internal Audit
 - a. The internal auditor (The Boston Consortium for Higher Education, Inc. Shared Internal Audit Services ("SIAS")) will report to the Audit Committee.
 - b. Review and approve the SIAS annual participation agreement, annual audit schedules, and long-range audit plans.
 - c. Receive internal control reports (or summaries thereof) submitted by the SIAS.

4. Financial Statements

- a. Review and approve the institution's fiscal year financial reports and forward a copy to the full Board. The fundamental responsibility for the institute's financial statements and disclosures rests with management and the independent auditor.
- b. Receive an annual report from senior management reviewing the prior year's management letter and updating the Committee on corrective actions take.

5. Compliance

- a. Review the effectiveness of the institution's system for monitoring compliance with laws, regulations, and donor intent.
- b. Review the institution's calendar year retirement plan audit.
- c. Review and approve the IRS Form 990 and 990-T and MA Form PC and all its disclosures and provide a copy of the Forms to the Board of Trustees prior to filing, as well as recommending appropriate institute policies and procedures pursuant to these Forms.
- d. Review the effectiveness of and any issues arising from the institution's annual reporting on conflict-of-interest disclosures for Faculty, Staff, vendors and members of the Board.
- e. Review the institution's ethics and conflict-of-interest policies on an annual basis and make recommendations to the Board for changes as appropriate.
- f. Establish and maintain whistleblower policies and practices and receive whistleblower complaints. Review reports at the scheduled Committee meetings, prepared by the Director of Compliance and Risk Management, on the disposition of whistleblower actions. The Committee shall inform the Board of any incidents that result in administrative sanctions against an employee. As to its oversight of the above-referenced reporting mechanisms, the Committee is authorized to retain outside investigators and/or counsel in the event an investigation by Institute employees is impractical or inadvisable (involving, by way of example only, an investigation of the investigator).
- g. As may be necessary, obtain the advice of outside legal consultants and professionals, including but not limited to the retention of special legal counsel, to advise or assist the Audit Committee on matters within the scope of its authority.
- h. Annual review of the institution's insurance program.
- i. Review the record-retention policy annually and make recommendations to the Board for changes as appropriate.
- j. Each regularly scheduled meeting will conclude with an executive session of the Committee absent members of management. As part of its responsibility to foster open communication, the Committee will meet periodically with management, the director of SIAS, and the independent auditor in separate executive sessions.

6. Risk Management

- a. Establish and monitor formal risk-management programs for finance, computerized information system controls and security, compliance, and reputational risks, including:
 - i. Annual report of outstanding and resolved litigation.

- ii. Reports on major financial risks and the institution's risk-management activities, reports of the institution's compliance and risk management officer, including summaries of conflicts of interest.
- iii. Annual information technology security report from the institution's chief information officer.

Composition and Delegation

The members and Chair of the Committee shall be appointed by the Chair of the Board for renewable one-year terms or as necessary to fill vacancies in the interim, all subject to the approval of the Board. The Committee shall be comprised of at least six Trustees, including *ex officio* and elected Trustees. At least half the Trustees of the Committee must be present at the meeting in order to establish a quorum. The President shall assign to the Committee a member of the administrative staff to assist the Committee with its work.

Meetings

In accordance with the applicable provisions of the Corporation's Bylaws, as amended from time to time, the Committee shall meet at such times and places as the members deem advisable.

Minutes

Minutes of each meeting of the Committee shall be prepared and sent to the Committee Chair for review within two weeks of each meeting. A final draft of the minutes will then be sent to the Vice President for Executive Affairs and all Committee members for approval at the following board meeting. The Committee will also report to the Board on any significant matters arising from the Committee's work.

Evaluation

The Committee shall review this Charter at least annually and, if appropriate, propose changes of the Charter to the Board. The Committee shall perform an annual evaluation of the Committee's performance and make applicable recommendations to the Chairman of the Board.

Audit Committee Standard Meeting Agenda Items

Fall meeting (October/November):

- Review and approve the institution's fiscal year audited financial statements and forward a copy to the full Board
- Review an annual report from senior management of the prior year's management letter and updating the Committee on corrective actions taken
- Review the institution's calendar year retirement plan audit
- Review of the institution's insurance program
- Review an annual report of outstanding and resolved litigation
- Review the annual conflict of interest policy disclosures and whistleblower updates including the policies and procedures

Winter meeting (January/February):

- Review and approve the internal auditor annual participation agreement, annual audit schedules, and long-range audit plans
- Review the Division of Technology Services annual information security program update
- Annual review of the Audit Committee Charter

Spring meeting (April/May):

- Review and approve Wentworth's IRS Form 990, Form 990-T and MA Form PC and all its disclosures and forward a copy to the full Board
- Review and approve the auditor's audit and other services plan for the upcoming fiscal year including their fee arrangement and review of their independence

Standing Items:

- Approval of minutes from the prior meeting
- Update from the CIO regarding technology services dashboard
- Update from the Director of Compliance and Risk Management on any pertinent issues the university may be managing including any whistleblower complaints or dispositions
- Executive session, including periodic separate sessions with management, the director of internal audit, and the independent auditor.