



## ASSOCIATED STUDENTS OF SAN FRANCISCO STATE UNIVERSITY AUDIT COMMITTEE CHARTER

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**CHARTER STATEMENT #403  
APPROVED 06/12/2019**

### Purpose

The role of the Audit Committee is to assist the Board of Directors (the "BOD") of the Associated Students (the "Organization") in fulfilling its oversight responsibilities related to:

- a) the accounting, reporting, and financial practices of the Organization, including the integrity of the Organization's financial statements
- b) the Organization's compliance with legal and regulatory requirements
- c) the performance of the Organization's independent auditor(s)
- d) the qualifications and independence of any independent auditor of the Organization
- e) the review and response to the CSU internal audits of the Organization
- f) the compliance audit certifications of the Associated Students' Early Childhood Education Center

### Composition & Qualifications

#### Voting Members

- Chief of Staff (chair)
- 1 AS Vice President (or designee)
- 1 other AS Board Member
- A representative from University Corporation Enterprises (or designee)
  - Preferably someone from Auxiliary Business Services
- Student Trust Officer (or designee)

#### Non-Voting/Advisory Members

- AS AED of Business Admin & Finance (or designee)
- Compliance Coordinator
- Any additional advisors as deemed necessary by the Audit Committee

The BOD may also appoint four (4) additional members from the BOD provided that the following criteria established by the Non Profit Integrity Act are met: i) less than 50% of the total members of the committee may be on the Organization's finance committee; ii) the Organization's President, Executive Director or Treasurer may not be members of the Audit Committee; iii) none of the members of the committee may have a material financial interest in any entity doing business with the Organization.

All members of the Audit Committee must be able to read and understand financial statements prepared in accordance with U.S. generally accepted accounting principles.

### Meetings

The committee shall meet as frequently as circumstances dictate, but no less than two times annually. The meetings may be scheduled at such times and places as the Audit Committee determines.

A majority of the Audit Committee present in person or by teleconference shall constitute a quorum. Meetings of the audit committee shall be conducted in accordance with the appropriate open meeting laws that preside over the Organization as a whole. The most current approved edition of Robert's Rules of Order Newly Revised shall govern the conduct of the meetings.

The Audit Committee should have unrestricted access to and meet regularly with organization management, the principal internal auditor of the Organization and the principal outside auditing firm to discuss any matters that the Audit Committee or any of these groups believes should be discussed.

The committee shall, through its chairperson report regularly to the BOD following the meetings of the committee, addressing such matters as the quality of the Organization's financial statements, compliance with legal or regulatory requirements, the performance and independence of the auditors or other matters related to the committee's functions and responsibilities.

#### Responsibilities of the Audit Committee

To successfully carry out its purpose as defined above the Audit Committee's key responsibilities include:

Meeting the requirements codified in the Education Code, Title 5 of the California Code of regulations, resolutions of the Board of Trustees of the California State University (CSU) and executive orders issued by the Chancellor of the CSU, the committee shall be directly responsible for the appointment and dismissal, compensation, and oversight of the Organization's independent auditor, and may not delegate any of such responsibilities to others. The committee may carry out these responsibilities in coordination with, or in concert with other auxiliary organizations of either San Francisco State University or the CSU as a whole. This responsibility extends to the appointment and retention of firms for the purpose of conducting audits, reviews or attestation services for the Organization other than the annual financial audit.

The Audit Committee shall also be responsible for coordinating the review of the CSU internal audit results, following up with management and the campus internal audit office regarding management's responses and determined actions related to the recommendations included in the internal audit report.

The responsibility for resolving any disputes between the outside auditing firms and the Organization's management rests with the Audit Committee.

The Audit Committee shall receive annual updates from the AS Compliance Coordinator on issues related to Risk Management Assessment Program, as well as evaluate and periodically review the Organization's Risk Management Policy.

#### Limitation of Audit Committee's Role

- While the Audit Committee has the responsibilities and powers set forth in this Charter, it is not the duty of the Audit Committee to plan or conduct audits or to determine that the Organization's financial statements and disclosures are complete and accurate and are in accordance with generally accepted accounting principles and applicable rules and regulations. These are the responsibilities of

management and the independent auditor. Further, it is not the duty of the Audit Committee to conduct investigations or to ensure that the Organization and its employees comply with laws and regulations and the Organization's Code of Conduct and Ethics.

- Governance is not the responsibility of the Audit Committee, it is the responsibility of the Board of Directors, the Audit Committee only serves and acts on behalf of the Board.
- Other than participating in the discussion on costs to be included in the annual budget for auditing purposes, the Audit Committee is not actively involved in the development of the annual budget. This is the responsibility of management, the Finance Committee and the Board of Directors

Approved by Audit Committee March 1, 2016

Approved by Audit Committee Revised on October 6, 2016

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