



CHARTER

Audit, Finance and Investment Committee

The Audit, Finance and Investment Committee is a fiduciary oversight arm of the Board of Trustees. Its oversight responsibility includes analyzing and monitoring, and then reporting to the Board, on the financial, investment, business and administrative management of the University, the Wexner Medical Center and their affiliated entities (collectively, the “University”). The Committee will:

- Review and recommend approval of the annual operating budget, including related tuition and other student fees.
- Review and recommend approval of annual capital expenditure budgets.
- Monitor, review and recommend the long-range financial plans and monitor the long-range financial health of the University.
- Monitor and discuss with management the financial operations of the University including the effectiveness of internal control over financial reporting.
- Focus on maintaining the integrity of the University’s financial statements, the external auditor’s qualifications and independence and the performance of the internal audit function and the external auditors.
- Provide policy oversight of the investment function of the University and monitor its performance.
- Provide policy oversight of the advancement function of the University and monitor its performance.
- Monitor and encourage efficiency and cost-saving efforts.
- Interface with administration, outside auditors and internal auditors to evaluate financial integrity of University operations and resolve any issues raised by the University’s auditors.

Although the Committee has the powers and responsibilities articulated in this charter, the Committee’s core function is oversight. It is not the duty or responsibility of the Committee to plan or conduct audits or to determine that the organization’s financial statements present fairly the organization’s financial position and results of operations in accordance with applicable accounting standards, laws and regulations. Management is responsible for the quality, accuracy and integrity of the organization’s accounting practices, financial statements and reporting, and system of internal controls. The external auditor is responsible for performing an audit of the organization’s financial statements.

Committee Authority and Responsibilities

The Committee will carry out these responsibilities:

Financial Statements

- Review with management and the external auditors the results of the audit and resolve any disagreements.
- Review and discuss the University’s annual audited financial statements with management and the external auditors prior to submission to the appropriate regulatory officials.
- Evaluate annually the external auditor’s qualifications, performance, and independence, including a review and evaluation of the lead partner, taking into account the opinions of the University’s management and the internal audit director, and report its conclusions to the Board of Trustees.
- Review with management and the auditors the status of the University’s internal control over financial reporting, including reports on significant findings and recommendations, together with management’s response.



Internal Audit

- Internal audit reports directly to the Committee.
- Approve the internal audit charter and assure the independence of the internal audit function.
- Review annually with the director of internal audit the guidelines, plans, activities, staffing, and organizational structure of the internal audit function.
- Review the effectiveness of the internal audit function, including conformance with the Institute of Internal Auditors' Definition of Internal Auditing, Code of Ethics, and the International Standards for the Professional Practice of Internal Auditing.
- Have final approval authority regarding the appointment, review, and removal of the director of internal audit. At least once per year, review the performance of the internal audit director and concur with the annual compensation and salary adjustment.
- At each meeting of the Committee, provide the director of internal audit an opportunity to report significant findings and management's response and, if needed, discuss privately with the Committee any matters that the Committee or internal audit believes should be raised.

External Audit

- The external auditors report directly to the Committee and provide all required audit communications to it.
- Approve the contract with the external auditor for the annual audit of the University, subject to ultimate approval of the Auditor of State.
- Pre-approve all auditing and non-audit services to be provided by the external auditor and/or delegate this authority to the Committee Chair.
- Review and approve the external auditor engagement letter.
- Review the external auditors' proposed audit scope and approach, including coordination of audit effort with internal audit.
- Review the performance of the external auditors, and with input from the administration, determine appointment or discharge of the external auditors.
- Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the University, including non-audit services.
- Provide oversight for the rotation of the lead external audit partner.
- At each meeting of the Committee, provide the external auditors an opportunity to discuss privately with the Committee any matters that the Committee or auditors believe should be raised.

Finance

- Provide oversight of the University's financing plans, financial condition, borrowing and investment policies, annual operating budgets, insurance, capital investment and financial reporting practices.
- On an annual basis, review and approve the University's operating budget and capital investment plan, including the approval of the utility system capital improvement plan.
- On an annual basis, review and approve tuition and fees, including room and board rates.
- On an annual basis, approve the Athletic fees for men's' football, men's' basketball,



and the Ohio State Golf Course.

- Review University long-range financial planning and monitor the long-term fiscal health of the University in alignment with the overall University strategic plan.
- Approve University issuance of debt and authorize approvals associated with Bonds, Commercial Paper Notes, and Subordinated Indebtedness.
- Review and approve the University real property transactions and their financing.
- Approve funding plans for major capital projects of the University, including leases.
- Authorize professional services and construction contracts.
- Periodically review the University's major insurance policies and coverage issues.
- Review on an annual basis the Waiver of Competitive Bidding Report and the Internal Bank Report...

Investments

- Monitor and provide oversight of the University's Investment Program including the operating fund and long-term investments.
- Review and approve changes to the University's investment policy.
- Review investment strategy.
- Approve benchmarks and asset allocation.
- Monitor the investment funds' performance and related risk management.

Advancement

- Assess annually the status of donated endowment accounts and recommend to the Board an appropriate rate of withdrawal of endowment assets.
- Annually establish Advancement objectives consistent with University's strategic plan.
- Monitor and evaluate progress and performance of fundraising efforts against established objectives.
- Provide policy oversight of gift acceptance and approval.
- Oversee and approve naming of University buildings and other spaces.
- Assess integration of advancement efforts and alumni relations.

Authority

- The Committee has full authority to conduct or authorize inquiries or investigations into all matters within its scope of responsibility, including authority to:
 - Review all budget, financial reporting, accounting and investment operations and decisions of the University.
 - Institute and oversee special financial or fraud investigations as needed and obtain accountants or other expertise to advise the Committee or assist in the conduct of an investigation.
 - Perform any other activities consistent with this charter, the University's Bylaws, and governing law, as the Committee or the Board of Trustees deems necessary or appropriate.
 - In performing its functions, all employees of the University shall cooperate fully and timely with any Committee request.



Administrative Responsibilities

- Report to the Board of Trustees, at least annually, regarding the Committee's activities in discharge of its duties as described in this Committee charter.
- Undertake a self-assessment of the Committee's and individual members' performance annually.
- Review and assess the adequacy of this Committee charter every other year, requesting approval of the Board of Trustees for proposed changes, and ensure appropriate disclosure as may be required by law or regulation.

Committee Meetings

The Committee shall meet in conjunction with the regularly scheduled meetings of the full Board, and at such other times and places as the Chair of the Committee deems necessary to carry out its responsibilities. The Chair of the Committee may request members of management, the director of internal audit and representatives of the external auditor to be present at any meeting of the Committee. Meeting agendas will be prepared and provided in advance to Committee members, along with the appropriate briefing materials.

A majority of the voting members of the Committee shall be present in person at any meeting of the Committee in order to constitute a quorum for the transaction of business at such meeting.

Committee Membership

All members of the Committee, as well as the Committee Chair and Vice Chair, shall be appointed by the Chair of the Board. The Chair and Vice Chair of the Committee shall be trustees or charter trustees. Trustees, student trustees, charter trustees and non-trustee Committee members that are appointed as members of the Committee shall all have voting privileges on all matters.

The composition of the Committee may include one student trustee and up to three additional non-trustee members, with majority membership by trustees at all times. Each member of the Committee shall serve for such term or terms as the Chair of the Board may determine.

All Committee members must be independent of management and the external auditor. In order to be deemed independent, the Committee member:

- a. Does not directly have a business relationship with the University.
- b. Is not an executive of another corporation/university where any of the corporation's/university's executive officers serve on that corporation's/university's compensation committee; and
- c. Does not have an immediate family member who is an executive officer of the University.

At least one member of the Committee must be designated as the "financial expert." In order to be deemed a "financial expert," at least one member of the Committee must have:

- a. An understanding of GAAP and financial statements.
- b. The ability to assess the general application of such principles in connection with the accounting for estimates, accruals, and reserves.
- c. Experience in preparing, auditing, analyzing, or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the issues that can reasonably be expected to be raised by the University's financial statements (or experience actively supervising one or more persons engaged in such activities).
- d. An understanding of internal controls and procedures for financial reporting; and



- e. An understanding of audit committee functions.

Staff and Other Support

Primary staff support for the Committee shall be provided by the Office of Business and Finance and the Office of Institutional Advancement.

University Bylaws

The provisions of this charter are intended to comport with the Bylaws of the University. To the extent that these provisions conflict, the University Bylaws shall control.

May 20, 2021