BOARD OF REGENTS
COMMITTEE ON INTERNAL AUDIT, RISK, AND COMPLIANCE
CHARTER

Introduction

The Committee on Internal Audit, Risk, and Compliance (Committee) is the primary committee of the Board of Regents (Board) charged with oversight for auditing, risk management, and compliance and ethics activities within the University System of Georgia (USG). This Charter broadly defines the Committee's roles with respect to auditing, risk management, and compliance. However, nothing in this Charter shall be construed to the limit the authority of the Board or the Committee.

Committee Responsibilities - Auditing

The responsibilities of the Committee, as it pertains to auditing, are broadly summarized as follows:

1. Monitor the effectiveness of management's system of internal control.
2. Monitor the USG's efforts to prevent, deter, and detect fraud.
3. Ensure open communications among management, internal auditors, external auditors, and the Committee.
4. Discuss audit issues with external auditors as required by relevant professional standards.
5. Monitor the performance of the USG internal audit function to include ensuring institutional audit officer and USG chief audit officer (CAO) qualifications and independence.
6. Review the results of the internal audit quality assurance program.
7. Meet with the CAO on a periodic basis to review the internal audit risk assessment and audit plan.
8. Review selected significant findings with the CAO and management to include management's response to those findings, any restrictions placed on the scope of audit work, and any significant changes to the approved audit plan.
9. Direct the CAO to conduct audits or reviews as needed to address significant risk issues.
10. Periodically review the status of open audit findings and other issues to include the progress made in closing open issues.
11. Solicit feedback from institutional and USG management on specific findings or issues as deemed necessary by the Committee.
12. Review and submit the Audit Charter to the Board for approval on a periodic basis to include changes needed to ensure that the audit function is complying with professional standards and addressing emerging audit issues.
13. Approve the appointment and termination of the USG CAO.

Committee Responsibilities – Risk Management

The responsibilities of the Committee, as it pertains to risk management, are broadly summarized as follows:

1. Assist the Board in fulfilling its oversight responsibilities with regards to major USG risks as defined in Board policy.
2. Provide assurance to the Board that major risks are being identified and managed across the USG through formal risk management programs.
3. Ensure that major risks are being aggregated at the System level and review the steps management has taken with respect to these risks.
4. Evaluate USG risk exposure and define the Board's risk tolerance.

5. Review reports pertaining to major risks and pertaining to the effectiveness of the USG risk management activities.
6. Escalate major risks and other significant risk management issues to the full Board for review and potential action.

Committee Responsibilities – Compliance and Ethics

The responsibilities of the Committee, as it pertains to the compliance and ethics program, are broadly summarized as follows:

1. Ensure that the proper tone for compliance and ethics is established and reinforced through programs subject to review by the Committee.
2. Provide oversight as needed to ensure that the Compliance and Ethics Program effectively prevents and detects misconduct by employees and officers of the University System of Georgia and its institutions.
3. Review the USG Ethics Policy on a periodic basis and make recommendations for changes as appropriate.
4. Assess the effectiveness of management's system for receiving and resolving allegations pertaining to non-compliance with law, policy, and procedure.
5. Monitor the performance of the CAO and the compliance and ethics function.
6. Meet with the CAO on a periodic basis to review compliance risk assessments, action plans, and other steps taken to ensure the management of an effective compliance function.
7. Review and submit the Compliance Charter to the Board for approval on a periodic basis to include changes needed to ensure that the compliance function is complying with professional standards and addressing emerging compliance and ethics issues.

Periodic Charter Review and Evaluation

The Committee shall periodically assess its activities with respect to the responsibilities outlined in this charter and shall take action as needed in response to this assessment. This assessment shall include a review of the adequacy of the Committee Charter. Recommended revisions to the Committee Charter shall be submitted for approval to the Board.

Approved by the Board of Regents of the University System of Georgia on January 6, 2016:

Kessel Stelling, Jr. — 1-6-16 Date

Chair of the Board of Regents

Don L. Waters — 1.6.16 Date

Chair of the Committee on Internal Audit, Risk, and Compliance

Henry "Hank" M. Huckaby — 1-6-16 Date

Chancellor