



Category:
Audit
Governance
Internal Audit

Responsible Office:
[University Auditor](#)

Policy Title:

Audit Committee of the Board of Trustees, Establishment of

Document Number:
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Effective Date:
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This policy item applies to:
Community Colleges
State-Operated Campuses
Statutory Colleges

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Summary

An audit committee of the State University of New York Board of Trustees was established in 1988 to enhance the University's commitment to accountability and to assist the Board of Trustees in fulfilling its fiduciary responsibilities. The committee is primarily responsible for oversight and review of various accountability systems within the University, particularly internal and external auditing functions.

Policy

Background

The State University of New York has supported an internal audit program since 1970 as part of its commitment to sound management practices and public accountability. This commitment included an active and effective internal audit function within the University's system administration and at several of its larger state-operated campuses. Likewise, in 1988, the University's financial statements were prepared in accordance with generally accepted accounting principles and audited by an independent public accounting firm for the first time.

Other events at that time also added to the importance of added accountability for the University. These events included the enactment in 1985 of the University's Operating Flexibility legislation, the New York State Governmental Accountability, Audit and Internal Control Act of 1987, which was last amended in 1999, and the University's 1988-89 Budget Request that augmented the University's auditing capacities.

Within this context and in order to strengthen the University's initiatives for accountability, it was advisable that the University's Board of Trustees establish a special standing committee which has as its primary responsibility oversight and review of various accountability systems within the University, particularly internal and external auditing functions. Accordingly, the Board of Trustees adopted a resolution providing for the membership and the responsibilities of an audit committee of the Board of Trustees.

The audit committee's structure and role are similar to that in existence in other corporate settings. In carrying out

the work of the committee, a functional and direct reporting relationship has been established with the office of the University auditor, whose activities and responsibilities are subject to periodic review by the committee.

Establishment of the Audit Committee of the Board of Trustees

There is established as a standing committee of the Board of Trustees an audit committee which shall exercise powers and responsibilities in accordance with the following:

1. Membership: The committee shall consist of no fewer than three nor more than five members who shall be appointed by the chairman of the Board of Trustees, one of whom shall be designated by the chairman of the Board to serve as chairman of the committee.
2. Terms: Members shall serve at the pleasure of the chairman of the Board of Trustees for terms of three years.
3. Meetings: The committee shall meet at least twice annually.
4. Responsibilities: Subject to the general supervision of the Board of Trustees, the committee shall:
 - a. Oversee the selection of the independent external auditor of the annual financial statements of the University, review findings received there from and provide the Board of Trustees with appropriate reports.
 - b. Review comments applicable to the University set forth in the audit of the State of New York and provide the Board of Trustees with appropriate reports.
 - c. Review and approve the organization and responsibilities of the office of the University auditor and the University's program of internal audit. The committee shall meet at least annually with the University auditor and shall provide the Board of Trustees with appropriate reports on the office's activities.
 - d. Render advice and assistance to the Board of Trustees in fulfilling its fiduciary responsibilities for University accounting, reporting practices, and internal controls and undertake such other activities and responsibilities as shall be requested from time-to-time by the Board.
 - e. In the fulfillment of these responsibilities the committee shall, insofar as practicable, foster direct communications with independent accountants and with external auditors and shall assure direct access and reporting from the office of the university auditor.

Definitions

There are no definitions relevant to this policy.

Other Related Information

State University of New York's Implementation of the New York State Governmental Accountability, Audit and Control Act

[NYS Executive Law Article 45, NY Exec L §§ 950 - 954 \(2015\)](#) (Internal Control Responsibilities of State Agencies)

[NYS Finance Law §8](#), NY STF Article 2, §8 (Duties of the Comptroller)

[NYS Public Officers Law §87](#), NY PBO Article 6 §87 (Access to Agency Records)

[NYS Education Law §353](#), NY EDN Title 1, Article 8, §353 (State University Trustees)

[By-Laws of the University Board of Trustees](#), State University of New York, Article I – IX

Procedures

There are no procedures relevant to this policy.

Forms

There are no forms relevant to this policy.

Authority

The following link to FindLaw's [New York State Laws](#) is provided for users' convenience; it is not the official site for the State of New York laws.

[NYS Education Law §353](#), NY EDN Title 1, Article 8, §353 (State University Trustees)

In case of questions, readers are advised to refer to the New York State Legislature site for the menu of the [Laws of New York State](#).

State University of New York Board of Trustee Resolution 06-168 adopted November 28, 2006.

History

State University of New York Board of Trustee Resolution 06-168 adopted November 28, 2006 changed membership from 3 to 5 members.

State University of New York Board of Trustee Resolution 88-80 adopted May 24, 1988.

Appendices

There are no appendices relevant to this policy.