

SECTION A-7
AUDIT COMMITTEE PLANNER

August 22, 2019

| Item | Frequency | Jan- Mar | Apr- Jun | Jul- Sep | Oct- Dec |
|---|--|---------------------|---------------------|---------------------|---------------------|
| Note: (#'s) The numbers noted in parenthesis at the bottom right of the item description refer to the number in the Responsibilities Checklist for the Audit & Compliance Committee. | Q - Quarterly A - Annually AN - As needed | | | | |

| 1. General & Administrative: | | | | | | |
|---|--|----|---|---|---|---|
| .01 | Meet four times per year or more frequently as circumstances require. The Committee may ask members of management or others to attend the meeting and provide pertinent information as necessary. (2) | Q | X | X | X | X |
| .02 | Prepare agenda for Committee meetings in consultation between the Committee chair (with input from the Committee members), U. H. System executive management, the Chief Audit Executive, and the System-wide Compliance Officer. (3) | Q | X | X | X | X |
| .03 | Approve minutes of previous meeting. | Q | X | X | X | X |
| 2. Audit & Compliance Committee: | | | | | | |
| .01 | Verify that membership is familiar with the Committee's Charter, goals, and objectives. (4) | AN | | | | |
| .02 | Review the independence of each Committee member based on applicable independence laws and regulations. (5) | AN | | | | |
| .03 | Review and update the Audit & Compliance Committee Charter and Responsibilities Checklist annually. (26) | A | | X | | |
| .04 | Approve Audit & Compliance Committee planner for upcoming year. | A | | X | | |
| .05 | Provide orientation for new members. | AN | | | | |
| .06 | Conduct or authorize investigations into any matters within the Committee's scope of responsibilities. (7) | AN | | | | |
| .07 | Provide an open avenue of communication between the State Auditor, internal auditors, any public accounting firm or other outside expertise employed, executive management, and the Board. The Committee chairperson shall report Committee actions to the Board with such recommendations as the Committee may deem appropriate. (8) | AN | | | | |
| 3. Audit: | | | | | | |
| .01 | Review and approve the appointment or change in the Chief Audit Executive. (6) | AN | | | | |
| .02 | Conduct an annual performance review and evaluation of the Chief Audit Executive. (20) | A | | X | | |

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| .03 | Review Board of Regents policies on Internal Audit and Institutional Compliance; approve any changes. | A | X | | | |
| .04 | Review, recommend, and approve the annual audit plan, including the allocation of audit hours and internal audit budget and staffing. (18) | A | | | X | |
| .05 | Consider and review with executive management and the Chief Audit Executive any changes required in the planned scope of the audit plan. (19c) | AN | | | | |
| .06 | Review the status of actual work performed relative to the approved annual plan. | Q A | X | X | X | X X |
| .07 | Review with executive management, the Chief Audit Executive, the System-wide Compliance Officer, the State Auditor, and any employed public accounting firm the coordination of efforts to assure completeness of coverage, reduction of redundant efforts, and the effective use of resources. (11) | AN | | | | |
| .08 | Review the effectiveness of the internal audit function including compliance with <u>The Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing</u> and the Texas Internal Auditing Act. | At least every 3 years | | | | |
| .09 | For the purpose of preparing or issuing an audit report or related work, the Committee shall be directly responsible for the appointment, compensation, and oversight of the work of any employed public accounting firm (including the resolution of disagreements between management and the auditor regarding financial reporting) or other outside expertise. This does not preclude an individual component institution from hiring a public accounting firm to perform work at the component level. (9) | AN | | | | |
| .10 | Review the external Auditors' proposed audit scope and approach (for audits and consulting projects), including coordination of audit effort with internal audit. | AN | | | | |
| .11 | Review the performance of the external auditors, and exercise final approval on the appointment or discharge of the auditors. | AN | | | | |

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| .12 | Regarding the U.H. System's financial statements, the Committee shall review with executive management and/or the Chief Audit Executive: a. U. H. System's annual financial statements and related footnotes; b. Any audit and assurance work performed on components of the annual financial statements; c. Any significant changes to the financial statements requested by the State Auditor, internal audit, or any independent public accountants; d. Any serious difficulties or disputes with management encountered during assurance work on components of the financial statements; e. Other matters related to the conduct of assurance services that are to be communicated to the Committee under generally accepted government auditing standards. (14) | A | X | | | |
| .13 | The Committee shall require the U. H. System Chancellor and U.H. System Chief Financial Officer certify the annual financial statements for the U. H. System as a whole, and that each component President and Chief Financial Officer certify the annual financial statements for their respective component institution. (Effective 2/1/07) (15) | A | X | | | |
| .14 | Review legal and regulatory matters that may have a material impact on the financial statements, internal auditing and/or compliance activities. (16) | AN | | | | |
| .15 | Review with executive management and the Chief Audit Executive at least annually U. H. System's critical accounting policies, including any significant changes to Generally Accepted Accounting Procedures (GAAP), Regents' Bylaws and Policies, and/or operating policies or standards. (17) | A | X | | | |
| .16 | Regarding audits, the Committee shall consider and review with executive management and the Chief Audit Executive any difficulties encountered in the course of the audits, including any restrictions on the scope of work or access to required information. (19b) | AN | | | | |

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| .17 | The Committee shall consider and review with the Chief Audit Executive, the System-wide Compliance Officer, the State Auditor, and any employed public accounting firm or other outside expertise any related significant findings and recommendations of the State Auditor, independent public accountants, and internal audit together with management's responses thereto. (13c) & (19a) | Q | X | X | X | X |
| .18 | The Chief Audit Executive has responsibility for ensuring that no conflicts of interest exist between public accounting firms performing consulting services and firms conducting financial statement audits. The Chief Audit Executive shall report annually on the status and integrity of The University of Houston System's engagements with public accounting firms. (10) | AN | | | | |
| .19 | The Committee shall ensure procedures are established for the receipt, retention, and treatment of complaints received regarding internal controls or auditing matters; and the confidential anonymous submission by employees of concerns regarding questionable auditing matters. (21) | Q | X | X | X | X |
| .20 | The Committee shall receive an annual report on the activities of the Internal Auditing Department in the format prescribed by the State Auditor's Office (Texas Government Code 2102.009). (31) | A | | | | X |
| 4. Compliance: | | | | | | |
| .01 | Review the annual compliance plan completed by the Compliance Officer and/or Compliance Office. | A | | | X | |
| .02 | Monitor The University of Houston System Institutional Compliance Program and review with executive management and the System-wide Compliance Officer the status of the program and the results of its activities, including significant institutional risks identified during the year and mitigating actions taken. (22a) | Q | X | X | X | X |
| .03 | Monitor The University of Houston System Institutional Compliance Program and review with executive management and the System-wide Compliance Officer the status of the program and the results of its activities, including significant findings during the year and management's responses thereto. (22b) | Q | X | X | X | X |

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|-----|---|---|---|---|---|---|
| .04 | Monitor The University of Houston System Institutional Compliance Program and review with executive management and the System-wide Compliance Officer the status of the program and the results of its activities, including any difficulties encountered in the course of inspections or assurance activities, including any restrictions on the scope of work or access to required information. (22c) | Q | X | X | X | X |
| .05 | Monitor The University of Houston System Institutional Compliance Program and review with executive management and the System-wide Compliance Officer the status of the program and the results of its activities, including any changes required in planned scope of the compliance action plan. (22d) | Q | X | X | X | X |
| .06 | The Committee shall ensure procedures are established for the receipt, retention, and treatment of complaints received regarding compliance issues and the confidential anonymous submission by employees of concerns regarding ethically or legally questionable matters. (24) | Q | X | X | X | X |
| .07 | The Committee shall conduct an annual review of the ethics and conflict of interest policies of the Board and each of the universities and receive a status update on the annual regent certification statements. (23) | A | | | | X |
| .08 | The Committee shall conduct an annual review of the report on compliance of each support organization. (27) | A | | X | | |

| 5. Other: | | | | | | |
|-----------|---|--------|--|--|--|---|
| .01 | The Committee shall meet with the Chief Audit Executive, the System-wide Compliance Officer, executive management, or any employed external auditors or other outside expertise in executive session to discuss any matters that the Committee or the before named believe should be discussed privately with the Committee, to the extent permitted by applicable law. (25) | A & AN | | | | X |
| .02 | Inquire of and discuss with executive management, the Chief Audit Executive, and the System-wide Compliance Officer any instances of fraud, errors, and illegal acts. | AN | | | | |

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| .03 | The Committee shall inquire of executive management, the Chief Audit Executive, the System-wide Compliance Officer, and any employed public accounting firm or other outside expertise about significant risks or exposures and assess the steps management has taken to minimize such risk to The University of Houston System. (12) | A | | | X | |
| .04 | The Committee shall consider and review with the Chief Audit Executive, the System-wide Compliance Officer, the State Auditor, and any employed public accounting firm or other outside expertise: a. The adequacy of U. H. System's internal controls including computerized information system controls and security; and b. The adequacy and efficiency of senior-level management with respect to fiscal operations and compliance functions at all component institutions. (13a & b) | A | | X | | |
| .05 | The Committee shall evaluate management's identification of fraud risks, the implementation of antifraud prevention and detection measures, and the creation of the appropriate "tone at the top" by reviewing an annual report which summarizes the fraud risk analyses and related risk mitigation strategies. (28) | A | | | | X |
| .06 | The Committee shall receive an annual report of the Identity Theft Prevention program. (29) | A | | | | X |
| .07 | The Committee shall receive an annual procurement report. (30) | A | | | | X |
| .08 | The Committee shall receive an audit report on the safety and security of the institution's facilities at least once every three years (Texas Education Code 51.217) (32) | Every 3 years | X | | | |

Legend:

Q - Quarterly
A - Annually
AN - As Needed

Frequency indicates a minimum requirement. If issues arise that require attention, they should be addressed regardless of the frequency or time period indicated.

X - indicates the month/s in which the activity occurs

(#'s)

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