

COMMITTEE ON AUDIT, RISK, AND COMPLIANCE CHARTER

Purpose

The Committee on Audit, Risk, and Compliance (the "Committee") shall assist the Board of Trustees of Michigan State University (the "Board") in fulfilling its responsibilities with respect to matters relating to risk and compliance at the University and provide oversight for University risk management in order to drive accountability across the entire community.

Key Responsibilities

Specifically, the Committee shall:

- Review the financial reporting processes and audits of financial reporting processes.
- Review the audits of financial statements and oversee the internal audit program.
- Oversee the review and selection of the independent auditors.
- Help identify threats and risks that need to be subjected to greater scrutiny by appropriate University leaders.
- Review reports from the Chief Compliance Officer (CCO) and senior leadership regarding priorities, operations, and effectiveness of the University's compliance efforts. The CCO will report on the effectiveness and compliance by University representatives and employees with conduct, ethics, and other compliance related codes and policies.
- Review any violations and failures to comply with federal, state and local laws, rules, and regulations, as well as institutional policies and any recommendations to improve compliance.
- Oversee compliance with the Board of Trustees Conflict of Interest Policy.
- Perform such other functions or responsibilities as requested by the Board.

Composition and Terms

The Committee shall be comprised of four (4) Board members recommended by the Chair of the Board and approved by a majority vote of the Trustees. The President or a presidential designee shall also serve as a member of the Committee. The Chair of the Board shall designate a member of the Committee to serve as Chair of the Committee. Members shall be appointed to serve a term of two (2) years commencing on January 1, concurrent with the term of the chairperson of the Board.

Meetings and Reporting

The Committee shall meet at least three (3) times each calendar year, with additional meetings held as needed to fulfill its responsibilities as described above. Meetings are convened by the

Committee Chair.

The Committee shall keep a record of their meetings and report to the Board as required. All resolutions and reports offered by the Committee which involve matters for record in the Board's minutes shall be made in writing.

Authorization and Limitations

The Committee is established pursuant to the Bylaws of the Board and shall not have the power or authority to act on behalf of the full Board. The delegation of any authority of the Board to the Committee shall not operate to relieve the Board or any member thereof of any responsibility imposed by law or the State Constitution.