

I. Purpose

To delineate the requirements for ongoing internal and annual external audits of all College records and activities to ensure appropriate oversight and compliance with all legal and regulatory requirements (MCL 389.143) and Board policies.

II. Scope

This policy applies to internal audits of College operations and records and external audits of all College financial records.

III. General

A. The Board of Trustees established an Audit Committee to enhance the College's commitment to accountability and to assist the Board of Trustees in fulfilling its fiduciary responsibilities including financial reporting, internal control over financial operations, the audit process, and monitoring compliance with laws and regulations. The committee is primarily responsible for oversight and review of various accountability systems within the College, particularly internal and external auditing functions. The Audit Committee's responsibilities include:

1. Oversee the selection of the external auditor of the annual financial statements of the College, review findings therefrom, and provide the Board of Trustees with appropriate reports.
2. Oversee the selection of the internal auditor. Review and approve the internal audit program including the development of the internal audit plan and adopting the scope of the internal audits.
3. Render advice and assistance to the Board of Trustees in fulfilling its fiduciary responsibilities for College accounting, reporting practices, and internal controls and undertake such other activities and responsibilities as requested by the Board of Trustees.
4. Assist in maintaining public confidence in the procedures and processes used by the College in all of its financial transactions and reporting.

In fulfilling these responsibilities, the committee shall, insofar as practicable, foster direct communications with external auditors and shall assure direct access and reporting from the contracted internal auditors.

B. Periodically, but not more than every seven years, the College will issue a Request for Proposal (RFP) for a certified public accounting firm to perform annual financial audits. College staff will perform due diligence on firms

submitting proposals, and a recommendation for firm selection shall be brought to the Board of Trustees for action.

- C. By October 31, the Audit Committee shall submit the annual audit to the Board of Trustees. The annual external audit report will be filed as required by federal and state laws.

IV. Responsibility

Responsibility for the interpretation and administration of this policy is delegated to the Audit Committee or designee.

Adopted: 3/18/2002

Revised: 6/19/2006, 11/19/2018, 9/20/2021