

### 3. AUDIT, COMPLIANCE AND RISK COMMITTEE

The Audit, Compliance and Risk Committee shall consist of a Chair and at least two (2) additional Trustees duly appointed by the Chair of the Board of Trustees at its annual meeting or as soon thereafter as possible. All members of this committee shall be financially literate meaning they shall be able to read and understand fundamental financial statements; including balance sheets, income statements and cash flow statements. This committee may have at least one non-voting community advisor (the "Advisor") who has extensive accounting, auditing and financial management expertise, but such person's participation shall be advisory only and on a non-voting basis. There shall be no overlapping membership of this committee and the Finance Committee. The Advisor, after signing an appropriate confidentiality agreement, shall be included in all discussions of the Audit, Compliance, and Risk Committee. The Advisor shall be selected by the Executive and Compensation Committee and appointed by the Chair of the Board of Trustees. The Advisor is not a member of the committee and may not serve as Chair of the Audit, Compliance and Risk Committee. The committee shall recommend the designation of an independent auditor and shall cause to be prepared and submitted to the Board of Trustees for approval at least once a year an audited statement of the financial condition of the University as of the close of the fiscal year and of the receipts and expenditures for each year. The committee may request any designated independent auditor, internal auditor, or any other officer or employee of the University to appear before it to report on the financial condition of the University and answer any questions the committee might have. The committee shall also receive other audit reports pertaining to the institution and recommend any changes deemed appropriate to financial control and accounting systems. This committee shall monitor internal controls and risk management. The President may, upon invitation of the committee, attend any meeting but in no event shall the President be a member of the committee, or have any voting rights.