

Board Meeting
January 19, 2006

AUDIT FUNCTION CHARTER FOR BOARD OF TRUSTEES BUDGET AND
AUDIT COMMITTEE

Action: Approve Board of Trustees Budget and Audit Committee Audit Function Charter

Funding: No Funding Required

The Board of Trustees received a presentation in March 2005 regarding The Sarbanes-Oxley Act of 2002 (SOX). Although governmental entities are not required to comply with all sections of SOX, certain elements provide a best practices standard for the University. The Board of Trustees requested a charter for the Budget and Audit Committee delineating appropriate SOX-related responsibilities.

In November 2005, the Board of Trustees received a presentation of a draft Audit Function Charter which defines the Budget and Audit Committee's oversight of the University's financial operations and compliance with State and federal laws and regulations. The Chair and Vice Chair of the Budget and Audit Committee were consulted regarding the drafting of this Charter.

The board action recommended in this item complies in all material respects with applicable State and federal laws, University of Illinois *Statutes*,

The General Rules Concerning University Organization and Procedure, and Board of Trustees policies and directives.

The Executive Director of University Audits now recommends approval of the Audit Function Charter for the Budget and Audit Committee as follows.

The President of the University concurs.