

Committee on Audit and Governance Charter Maryland 529

Purpose

The Committee on Audit and Governance (the “Committee”) is appointed by the Board to oversee and make recommendations to the Board Concerning matters related to legislative and independent financial audits and responses thereto; ii) Board governance and evaluation; and iii) the sufficiency and appropriateness of Maryland 529’s financial reporting process.

Membership

The Committee shall consist of at least three members including the Chairperson of the Committee. The members of the Committee shall be appointed and replaced by the Chairperson of the Board (the “Board Chairperson”). In addition, the Board Chairperson shall designate the Chairperson of the Committee. Each Committee member shall serve at the pleasure of the Board Chairperson.

Responsibilities

Legislative and Independent Audits

Among its duties the Committee shall:

- Understand the scope of the legislative auditor’s review, including its analysis of internal controls.
- Review the independent auditor’s proposed audit scope and approach.
- Review, as raised pursuant to an audit, the effectiveness of the internal controls of Maryland 529 including i) adherence to best practices; and ii) the results of staff follow-up of any instances of nonadherence to best practices.
- Resolve any disagreements between management and the legislative auditors regarding an audit.
- Oversee and monitor tasks delegated to the Committee based on findings of an audit.
- Review with staff and the independent auditors the results of the annual financial audit, including any difficulties encountered.
- Resolve any disagreements between management and the independent auditors regarding an audit.

- Review the independence of the auditor.
- Recommend to the Board the appointment or discharge of the independent auditor.
- Recommend an internal audit when deemed necessary.

Regulatory Agencies

Among its duties the Committee shall:

- Review the findings of any examination by any regulatory agencies.
- Review the results of any staff follow-up resulting from the findings of any regulatory agency.

Governance

Among its duties the Committee shall:

- Recommend to the Board modifications to the Board policies, charters and committee structures, as necessary, and ensure appropriate governance practices on the part of the Board;
- Coordinate the Board performance evaluation process;
- Assure that each Board member is educated with regard to the requirements of the Maryland Public Ethics Law set forth in MD GEN PROVIS § 5-101 et seq., as may be amended from time to time, as interpreted and enforced by the State Ethics Commission; and
- Through its Chairperson, call for the nominations of Board officers in accordance with the Bylaws.

Operational Matters; Reports

- The Committee may form and delegate authority to subcommittees when appropriate
- The Committee shall annual review its performance. In addition the Committee shall review and reassess the adequacy of this Charter annually and recommend to the Board any changes it considers necessary or advisable.
- The Committee shall make regular reports to the Board.
- The Committee shall coordinate with other Board committees, as necessary.

Limitation of the Committee's Role

While the Committee has the oversight, supervisory and other responsibilities and powers set forth in this Charter, it is not the responsibility of the Committee to act as the day to day contact, or to craft the agency's responses to matters addressed to Maryland 529 by the independent or legislative auditors. These matters and tasks are the responsibility of Maryland 529 management. Those parties are entrusted with bringing appropriate matters to the attention of the Committee and keeping the Committee informed of issues that Maryland 529's management believes requires attention, guidance, resolution or other actions, the bases therefore, and other relevant considerations.

To the fullest extent permissible under applicable law, each member of the Committee is entitled to rely in good faith upon the records of Maryland 529 and upon such information, opinions, reports or statements presented to the Committee by any of Maryland 529's officers, employees, or committees, the independent auditors, legislative auditors, program managers, other State personnel, or any other person as to matters the member reasonably believes are within such other person's professional or expert competence and who has been selected with reasonable care by or on behalf of Maryland 529.

Effective Date: June 6, 2019

Amended: February 20, 2020