<table>
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<th>HRS 304A-321</th>
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<td>(e) Professional Development</td>
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<tr>
<td>(1) Seminars and Conferences</td>
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<td>(2) Educational sessions</td>
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<td>(3) Study analytical tools for audit committees</td>
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<td>(f) Enterprise Risk Management (ERM)</td>
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<td>(1) Oversight ERM</td>
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<tr>
<td>(2) Inquiry president, chief financial officer and external auditors about significant risk or exposures</td>
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<td>(3) Assess steps that the president has taken or proposes to minimize risks and periodically review those steps</td>
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<tr>
<td>(4) Review with the general counsel of UH, external auditors, external counsel and the chief financial office legal and regulatory matters that may have a material impact on the financial statements, organizational compliance policies and programs</td>
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<td>(g) meet not less than twice a year</td>
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<td>(h) Review the committee’s effectiveness annually and provide an annual report</td>
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<td>(l) Annual report shall address</td>
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<td>(1) Review with the president and external auditor the effect of any regulatory and accounting initiatives and unique transactions for accounting best practices</td>
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<td>(2) Review significant related party transactions</td>
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<td>(3) Review any interim financial reports on internal control</td>
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<td>(4) Review with the external auditor</td>
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<td>(A) Alternative treatments of financial information within GAAP have been discussed with the president</td>
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<td>(B) Any consultation with audit firms other than the external auditor including reasons for and results of</td>
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(C) Any other information relating to significant estimates and judgements

(j) Review matters affecting internal control and internal audit

(1) Adequacy of internal control including computer systems

(2) Any related significant findings and recommendations of the external and internal auditors

(k) Review matters affecting accounting policies and procedures

(1) Insure policies, procedures and related controls are documented

(2) Review accounting controls annually

(3) Review policies and procedures with respect to key persons under IRS Section 4958

(4) Inquiry regarding the financial health of the University

(l) Anti fraud programs and controls and the aid in discovering and remedying incidents of fraud.

(m) Notwithstanding HRS part V 378

(1) Procedures for the receipt, retention and treatment of complaints regarding accounting, internal controls, auditing matters or suspected fraud

(2) Complaints that may have been received, current status, resolution of such complaints

(n) Internal Control

(1) Review the scope and plan of the internal auditor

(2) Coordination of audit efforts to ensure completeness of coverage, reduction of redundant efforts and effective use of audit resources

(3) Discuss opportunities for reliance by the external auditor on the audit activities of the internal auditor

(o) Internal Audits

(1) Significant findings of internal audits conducted
| (2) | Whether the internal auditor encountered difficulties in discharging their responsibilities |
| (3) | Any changes in the scope of internal audits |
| (4) | Budget and staffing of the internal audit |
| (5) | Audit plan to govern internal audits |
| (6) | Compliance with the Institute of Internal Auditor’s International Standards for Professional Practice of Internal Auditing |
| (p) | Internal auditors shall meet separately with any external auditor to coordinate audit plans |
| (q) | Annually evaluate the internal audit |
| (1) | Adequacy of the audit plan |
| (2) | Management of the execution of the audit plan |
| (3) | Adequacy of the human resources available |
| (4) | Ability of the external auditor to rely on the internal audit work plan |
| (5) | Nature and findings or results of any internal audits |
| (r) | Subject to the Board, the selection of one or more external auditors |
| (1) | Approve the audit plan |
| (2) | Establish the fee for the external audit |
| (3) | Pre-approve any non-audit services provided by the external auditor |
| (4) | Review with the president the significance of contracting out audit services |
| (5) | Ensure single audit obligations are incorporated into the audit plan. |
| (s) | review all written communications between the external auditor and the university |
| (t) | Annually evaluate the external auditor |
| (u) | Review |
(1) Annual financial statements and footnotes

(2) The audit of the financial statements and the external auditor's report

(3) External auditor's judgement about the quality of the university's accounting principles as applied to the financial reporting

(4) Any significant changes realized in the external auditor's plan

(5) Any serious difficulties or disputes encountered in the course of the audit

(6) Statement on Audition Standards 114 relating to conduct of the audit

(v) Independent Audit Committee may hire external auditors, legal counsel or other consultants as necessary to address

(1) Execution of whistle blower protection procedures subject to (m) above

(2) Statutory or contractual procedures when engaging external resources

(3) Detection of fraud

(w) Submit an annual report

(1) All instances of material weakness in internal controls including university responses

(2) All instances of fraud including university responses

Bylaws Article II D. 2 e.

(1) Advise the Board regarding the Board's responsibilities

(a) Quality and integrity of the University's compliance with legal, regulatory and policy requirements, financial reporting and financial statements and internal controls relating to risks

(b) Function, disclosures and performance of University's compliance, internal control, and risk management systems regarding ethics and compliance, risk, finance, and accounting, and the adequacy of such systems
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<th>(c) Independent CPA qualification, independence and performance as well as the performance of the internal audit function</th>
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<td>(2) Review the annual internal audit plan and the extent to which it addresses high risk areas</td>
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<td>(3) Review the annual report of the internal auditor and discuss significant issues of internal control.</td>
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<td>(4) Discuss the planned scope of the annual independent audit with the independent auditor and review the results of the audit with the independent auditor and management</td>
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<td>(5) Receive and review the annual certified financial reports with the external auditor and management</td>
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<td>(6) Recommend to the Board the independent auditor and their fees</td>
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<td>(7) Review the scope of the annual audit and approve any services other than the audit and related services provided by the public accountants</td>
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<td>(8) Provide recommendations to the Board regarding the internal audit mission statement, the committee’s charter and other governance documents with respect to internal and external audit.</td>
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