

Ray Dubuque, Chairman
Harold "Trey" Price, Executive Director

Natacha Bastian, Audit Committee Chairman
Chris Hirst, Inspector General

THE FLORIDA HOUSING FINANCE CORPORATION'S BOARD OF DIRECTORS AUDIT COMMITTEE CHARTER

The Board of Directors (Board) of the Florida Housing Finance Corporation (Florida Housing),¹ among other duties, is responsible for assuring that:

- Florida Housing's financial statements have integrity,
- Florida Housing complies with laws, rules, regulations and program contracts and documents,
- Florida Housing's independent certified public accounting (CPA) firm has the necessary qualifications and independence², and
- Florida Housing's Office of Inspector General is properly staffed and functional.

The Board, to provide these assurances, hereby establishes an Audit Committee and assigns that Audit Committee the duties, authorities and responsibilities discussed herein.

¹ Florida Housing's Board members are selected in accordance with the conditions set forth in Section 420.504(3), Florida Statutes.

² In this document, the term "Certified Public Accounting (CPA) firm" refers to the independent entity performing the annual audit of Florida Housing's financial statements.

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COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee will consist of at least three and no more than six members of the Board of Directors (Board). The Board Chair will appoint the Committee Chair and members. Each Audit Committee member will be independent. Best practices suggest that at least one member³ have special knowledge or expertise in financial matters.

MEETINGS OF THE AUDIT COMMITTEE

The Audit Committee will meet as often as circumstances require, but it will meet at least four times a year. All Audit Committee members are expected to attend each meeting.⁴ The Audit Committee will invite members of management, the certified public accounting (CPA) firm, Office of Inspector General, or others to attend meetings and provide pertinent information, as necessary. It will meet separately, periodically as necessary, with management, the Inspector General and external auditors. Meetings will be publicly noticed as required by Rule 28-102.001, Florida Administrative Code and Sec. 286.011, Florida Statutes. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

AUTHORITY OF THE AUDIT COMMITTEE

The Audit Committee is authorized to make assignments to conduct or direct audits, investigations or other studies into any matters within the scope of the Boards responsibility. It is empowered to:

- Recommend to the Board the appointment and compensation of the CPA firm engaged by Florida Housing to conduct the annual financial audit.
- Monitor the status of the work of Florida Housing's CPA firm.
- Resolve any disagreements between Florida Housing's management and the CPA firm regarding financial reporting.
- Approve all non-audit services performed by Florida Housing's CPA firm.

³ In accordance with 17 CFR 229.407, a person who is determined to be an Audit Committee financial expert will not be deemed an *expert* for any purpose as a result of being designated or identified as an Audit Committee financial expert pursuant to this Charter. In addition, the designation or identification of a person as an Audit Committee financial expert pursuant to this Charter does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Audit Committee and board of directors in the absence of such designation or identification. Board Members are not required to have experiences such as those included in the definition of financial expert. For this reason, Florida Housing and the Board recognize that there may be times where it will not be possible to have a financial expert on the Audit Committee.

⁴ Meetings may be by phone or other device that is acceptable under the provisions of Sec. 286.011, Florida Statutes, Florida Sunshine Law.

- Recommend to the Board the retention of independent counsel, accountants, or others to advise the Audit Committee or assist in the conduct of an audit or investigation.
- Seek any information it requires from employees - all of whom are directed to cooperate with the Audit Committee's requests – or external parties.
- Meet with Florida Housing's General Counsel or independent counsel, as necessary.
- Receive and review reports prepared by Florida Housing's Office of Inspector General.

RESPONSIBILITIES OF THE AUDIT COMMITTEE

The Audit Committee's responsibilities include:

FINANCIAL TRANSACTIONS AND STATEMENTS

- Review and report to the Board on significant accounting and reporting issues to assist the Board to understand the impact of these issues on the financial statements. These issues include:
 - Complex or unusual transactions.
 - Transactions that are the result of complex estimates and judgments.
 - Major issues regarding accounting principles and financial statement presentations, including significant changes in Florida Housing's selection or application of accounting principles.
 - The effect of regulatory and accounting initiatives.
 - The effect and reasons for any off-balance sheet structures and events.
- Review analyses prepared by management, external auditors or the Office of Inspector General dealing with significant financial reporting issues and judgments made in connection with recording financial transactions or the preparation of the financial statements.
- Discuss the annual audited financial statements with management and the external auditors, including Florida Housing's disclosures under "Management's Discussion and Analysis."
- Review disclosures made by the Executive Director, Chief Financial Officer or the OIG about significant deficiencies in the design or operation of internal controls or any fraud that involves management or other employees who have a significant role in Florida Housing's internal controls.
- Consider the effectiveness of Florida Housing's internal control system, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal controls over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.
- Review with management, external auditors or the Office of Inspector General the results of audits, investigations and studies including any difficulties encountered, any restrictions on the scope of the auditor or investigator activities or on access to requested information, and any significant disagreements with management.

OFFICE OF INSPECTOR GENERAL

- Review with the Executive Director and the Inspector General the expectations, activities, staffing, and organizational structure of the Office of Inspector General.
- Receive, review and approve the Office of Inspector General annual audit plan and all major changes to the plan, including the risk assessment used to support the annual audit plan.
- Ensure there are no restrictions or limitations on the Office of Inspector General's access to records and Florida Housing's officers and personnel.
- Receive and review internal audit reports.
- Review and concur in the Executive Director's appointment, replacement, or dismissal of the Inspector General in accordance with Sections 420.506(2), Florida Statutes.
- Review periodic internal and external quality assurance reviews required by applicable professional auditing standards.
- On a regular basis, meet separately with the Inspector General to discuss any matters that the Audit Committee or the Inspector General believe should be discussed privately, subject to the provisions of sec. 286.011, Florida Statutes, the Florida Sunshine Law.

INDEPENDENT CPA FIRM

- Review the CPA firm's proposed audit scope and approach.
- Review the performance of the CPA firm, and recommend the appointment or discharge of the public accounting firm to the Board.
- Obtain and review annually a report by the CPA firm describing: (1) the firm's internal quality control procedures, and (2) any material issues raised by its most recent external quality control review or investigation and steps taken to resolve those issues.
- Review and confirm the independence of the CPA firm by obtaining statements on relationships between the CPA firm and Florida Housing, including non-audit services, and discussing the relationships with the CPA firm.
- Take into account the opinions of management and Inspector General.
- Confirm annually that Florida Housing management and the independent accounting firm have agreed on provisions related to hiring or contracting with the employees or former employees of the independent accounting firm.
- As needed, meet separately with the external auditors to discuss any matters that the Audit Committee or auditors believe should be discussed privately, subject to the provisions of Sec. 286.011, Florida Statutes, Florida Sunshine Law.

COMPLIANCE

- Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's and Office of Inspector General investigations and follow-up (including disciplinary action) of any instances of noncompliance.

- Review the findings of any examinations by state and/or federal regulatory and investigative agencies.
- Review the process for communicating the code of conduct to Florida Housing personnel and for monitoring compliance with the code.
- Obtain regular updates from management, legal counsel and Office of Inspector General regarding compliance matters.

REPORTING RESPONSIBILITIES

- Regularly report to the full Board about Committee activities and issues that arise with respect to the Committee’s responsibilities.
- Provide an open avenue of communication between Office of Inspector General, the external auditors, and the Board.
- Report annually to the Board how the Committee's responsibilities were discharged, and any other information deemed necessary or otherwise required.

OTHER RESPONSIBILITIES

- Discuss risk assessment and risk management with management and the Office of Inspector General.
- Perform other activities related to this charter as requested by the Board.
- Institute and oversee special investigations as needed.
- Review and assess the adequacy of the Audit Committee charter annually, requesting full Board approval for any proposed changes.
- Confirm annually that all responsibilities outlined in this charter have been carried out.

While the Committee has the responsibilities and the authority as set forth in this Charter, it is not the responsibility of the Committee to plan or conduct individual audits, reviews and/or investigations, to attest to Florida Housing’s financial information or condition, to resolve disagreements, or to assume responsibility for compliance with laws, rules, regulations, policies and procedures.

Approved on/Effective date: 4/17/18

Board Chair or Vice Chair: 

Board Audit Committee Chair: 