

## **THE PRESIDIO TRUST AUDIT COMMITTEE CHARTER**

The purpose of the Audit Committee (“Committee”) is to assist the Presidio Trust (“Trust”) Board of Directors (“Board”) in its oversight responsibilities relating to the integrity of the Trust’s financial statements, audit and audit related functions, and enterprise risk management. The Committee may also carry out other duties as directed by the Board.

### **I. STRUCTURE AND ORGANIZATION**

1. The Committee shall consist of at least one Board Director who has financial expertise, but all Committee members must be or become financially literate. Exceptions to this requirement must be approved by the Board. The Committee will make diligent efforts to gain access to necessary financial management expertise.
2. The Committee shall meet at least semi-annually or more often as necessary to act promptly on any matter within this Charter.
3. Committee members and the Committee Chair shall serve at the pleasure of the Board.

### **II. RESPONSIBILITIES**

#### **A. Responsibilities Related to the Trust’s Independent Financial Audit**

1. The Committee will review and approve the appointment, replacement, reassignment or dismissal of the independent financial auditor. The independent financial auditor will report directly to the Committee.
2. The Committee will review the audit plan with Trust staff and the independent auditor. The Committee is authorized to evaluate the qualifications, performance and independence of the independent financial auditor and evaluate and approve the scope of audit services and related fees.
3. The Committee will review with the independent financial auditor matters relating to the conduct of the audit, including any problems or difficulties encountered in the course of the audit work, any restrictions on the scope of activities or access to requested information, and any significant disagreements with management.
4. The Committee will meet with Trust staff and the independent financial auditor in separate sessions to discuss any matters that the Committee or the above-named parties believe should be discussed privately with the Committee.

5. The Committee will ensure that direct meetings occur with the independent financial auditor and the Board as appropriate.
6. The Committee will review and discuss with Trust staff and the independent financial auditor accounting policies, significant financial reporting issues and judgments made in connection with the preparation of the Trust's financial statements, including any significant changes in the Trust's selection or application of accounting principles.

**B. Responsibilities Related to the Trust's Internal Audit Function**

1. The Committee will review at least annually the internal audit function of the Trust with the Trust's Chief Executive Officer and the internal auditor, including a general review of the internal audit plan, the internal audit organization, staffing, budget, reporting structure, objectivity and sufficiency.
2. The Committee will review the results of internal audits.
3. The Committee will review with the Trust's Chief Executive Officer, and the internal auditors, the adequacy and effectiveness of the Trust's internal controls over financial reporting including information technology controls.

**C. Responsibilities for Oversight of the Quality and Integrity of Accounting, Auditing and Reporting Practices of the Trust**

1. The Committee will immediately inform the Board Chair, and the full Board when appropriate, of any indication of fraud or financial mismanagement that comes to the attention of the Committee.
2. The Committee will review and discuss the annual financial statements, including disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations," with the Trust's Chief Executive Officer, the Trust's Chief Financial Officer and the independent auditor prior to the Trust issuing the financial statements. These discussions will address the quality (not just the acceptability) of the financial reporting, and such other matters, as the Committee deems appropriate.
3. The Committee will ensure that the Board meets annually with the independent financial auditor for purposes of reviewing and approving issuance of the Trust's financial statements to the Office of Management and Budget.

**D. Responsibilities for Oversight of Enterprise Risk Management**

1. At least annually, the Committee shall review with the Chief Executive Officer, appropriate staff and such outside experts as may be advisable, the Trust's enterprise risk management program.

2. The Committee shall provide oversight of the Trust's insurance program.
3. As necessary, the Committee will discuss with Trust staff any significant financial risk exposure and the steps Trust staff has taken to monitor and control such exposures, including the Trust's risk management policies, and legal and ethical compliance programs.

### **General**

1. The Committee will report to the Board on Committee matters and shall present recommendations to the Board on matters within the scope of this Charter.
2. The Committee will periodically review and assess its performance.
4. The Committee will review and reassess the adequacy of this Charter annually and may propose recommended revisions to the Board.
5. The Committee may investigate any matter brought to its attention in connection with its responsibilities hereunder. The Committee has the authority to procure legal counsel, accounting advice, or other advice as appropriate in connection with its responsibilities under this Charter, subject to funding approval consistent with Trust policy.

Nothing in this Charter shall be interpreted as inconsistent with the Presidio Trust Act or the Bylaws of the Presidio Trust.