

Policy Number: 3-701	Policy Name: Authority and Responsibility – Internal Audits
Policy Revision Dates: 8/04, 3/04	Page 1

3-701 Authority and Responsibility – Internal Audits

A. Nature

The Arizona Board of Regents audit staff performs an independent appraisal activity which reviews operations as a service to the Board of Regents and university administrators. Internal auditing is a managerial control which functions by measuring and evaluating the effectiveness of other controls.

B. Objective and Scope

The objective of internal auditing is to assist the Arizona Board of Regents and university administrators in the effective discharge of their responsibilities by furnishing them with analyses, appraisals, recommendations and pertinent comments concerning the activities reviewed. The attainment of this overall objective involves such activities as:

1. Reviewing and appraising the soundness, adequacy, and application of accounting, financial, and other operating controls, and promoting effective control at reasonable cost.
2. Ascertaining the extent of compliance with established policies, plans and procedures.
3. Ascertaining the extent to which assets are accounted for and safeguarded from losses of all kinds.
4. Ascertaining the reliability of management data developed within the organization.
5. Conducting special examinations and reviews at the request of the Arizona Board of Regents and university administrators.
6. Recommending operating improvements.

Policy Number: 3-701	Policy Name: Authority and Responsibility – Internal Audits
Policy Revision Dates: 8/04, 3/04	Page 2

C. Authority

The internal audit staff is authorized to conduct a comprehensive program of internal auditing. Authorization is granted for internal auditors' unrestricted access to the central office and university functions, records (irrespective of medium), property and personnel relevant to a review.

D. Responsibility

The internal audit staff has a responsibility to report to the Arizona Board of Regents and university administrators on the areas examined. The information furnished to the Board and to university administrators may differ in format and detail, depending upon the requirements and requests of university administration and the Arizona Board of Regents. In meeting these responsibilities, the internal audit staff will develop and execute a comprehensive audit program and comply with applicable professional auditing standards.

The Assistant Executive Director for audit services reports to the Executive Director and Deputy Executive Director regarding day-to-day activities. Additionally, he/she attend regularly scheduled audit committee meetings and presents the audit services annual audit plan for approval and audit reports for acceptance.

The Assistant Executive Director for audit services shall confer with the Audit Committee of the Board of Regents at least annually, outside the presence of central office and university officials, on any subject germane to internal audit's area of responsibility. In addition, if the circumstances ever warrant such action, the Assistant Executive Director for audit services may communicate directly with the Chair of the Audit Committee.

In performing their functions, the internal audit staff has no direct responsibility for, or authority over, any of the activities reviewed.