

Memorandum

To: Dr. Robert Flores, Associate VP for Academic Affairs; Senate Policy Liaison
From: Randy Van Dyke, Chief Audit Executive
Date: March 3, 2020
Subject: Internal Audit Policy Revisions

The University Internal Audit Policy (3-019) dates back to 1985. Since then, the Utah Internal Audit Act was enacted and the State Board of Regents policy on Internal Audit was substantially revised. Updates to the University policy are needed to make it consistent with the statute and Regents policy. ***Nothing in the revised policy represents a substantive change from the current policy and long-standing practice.***

The Internal Audit Act requires that “the University of Utah ... establish an internal audit program under the direction of the Board of Regents.” Regents Policy R567 requires each USHE institution to maintain an internal audit function. Both the statute and the Regents Policy require compliance with professional standards promulgated by the Institute of Internal Auditors (IIA).

Policy 3-019, which serves as Internal Audit’s charter, currently lacks some mandatory items per IIA Standards. Including these items in the charter is also required by the Regents Policy, which states “The purpose, authority, and responsibility of the internal audit activity must be formally defined in an internal audit charter, consistent with the [IIA’s] Definition of Internal Auditing, the Code of Ethics, and the Standards.”

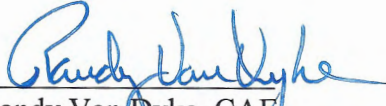
Proposed changes were prepared considering the IIA requirements and peer institution charters. Changes include:

- The definition of internal auditing has been added. This specific definition is required by IIA Standards.
- The Chief Audit Executive’s reporting lines are described in more detail. Also, a statement has been added about assurance and advisory services. These are required elements per the IIA.
- A statement regarding access to records and personnel, which is also required, remains. A comment has been added that this is subject to accountability for confidentiality and safeguarding information.
- A positive statement requiring adherence to professional standards has been added. This is needed for consistency with the Internal Audit Act and the Regents policy.

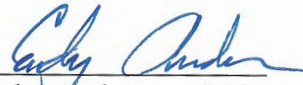
Internal Audit’s responsibility to administer the Ethics & Compliance hotline has also been added. This has been in place since 2007, and is an expectation of the Board of Regents Audit Subcommittee and the Board of Trustees Audit Committee.

Dr. Robert Flores
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I have attached a clean version and a redline version of the proposed policy. If there are any questions, please don't hesitate to contact me. Thank you for your consideration of this.


Randy Van Dyke, CAE

Approved:


Cathy Anderson, CFO

cc: Jane Laird, Administrative Officer, Academic Senate
Jeff Herring, Chief Human Resources Officer
Sarah Tice, Administrative Manager, Human Resources