

September 11-12, 2019

**ITEM 184-103-R0919**

**Approval of the Montana University System Internal Audit Charter**

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**THAT**

In accordance with Board of Regent policy 204.2.1, the Montana Board of Regents review and approve the draft Montana University System Internal Audit Charter last revised August 9, 2019.

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**EXPLANATION**

1. The Board will periodically review and approve internal audit charters (Board Policy 204.2.1).
  2. The Board directs the internal audit staff to strive to conform to the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing (Board Policy 204.2.1). These standards require the development of an Internal Audit Charter (Standard 1000 – Purpose, Authority, and Responsibility).
  3. Standards reference the Internal Audit Charter as a critical document as it records the agreed-upon purpose, authority, and responsibility of the Montana University System’s internal audit activity including:
    - Internal audit objectives and responsibilities.
    - The expectations for the internal audit activity, including the services the function will provide.
    - The Chief Audit Executive’s functional and administrative reporting lines.
    - The level of authority (including access to records, physical property, and personnel) required for internal audit activity to perform engagements and fulfill its agreed-upon objectives and responsibilities.
  4. To ensure consistency and coordination across the internal audit function, the MUS Internal Audit Director has collaborated with MSU-Bozeman and UM-Missoula Internal Audit Directors and OCHE management to develop an Internal Audit Charter for all campuses.
  5. Final approval of the internal audit charter resides with the Board.
  6. By reviewing and approving the MUS Internal Audit Charter, the Board confirms the MUS Internal Audit Charter accurately describes the agreed upon role and expectations of the MUS Internal Audit function. This includes the role and responsibilities of the Budget, Audit, and Enterprise Risk Committee, as well as, the Board of Regents as a whole.
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**ATTACHMENTS**

Attachment #1 – MUS Internal Audit Charter