

MONTANA BOARD OF REGENTS OF HIGHER EDUCATION
Policy and Procedures Manual

SUBJECT: GOVERNANCE AND
ORGANIZATION
Policy 210 – MUS Internal Audit
Effective: March X, 2020

I. Board Policy:

It is the policy of the Board of Regents to establish internal audit as an independent function to examine and evaluate Montana University System (MUS) activities. The MUS internal auditor reports functionally to the chair of the Budget, Administration, and Audit Committee and administratively to the Commissioner of Higher Education, or the Commissioner's designee. The campus internal audit directors report functionally to the MUS internal auditor and administratively to the president or equivalent. The dual reporting relationship ensures the independence of the internal audit function and the adequate consideration of internal audit findings and recommendations.

II. Procedures:

- A. The MUS Internal Audit Charter, approved by the Board of Regents, defines internal audit's purpose, standards, authority, independence, scope, responsibility, and quality assurance and improvement program.
- B. The MUS Internal Audit Charter also defines the Board of Regents and the Budget, Administration, and Audit Committee's role and responsibilities as they relate to internal audit.
- C. Office of the Commissioner of Higher Education staff and campus management shall:
 1. Notify the MUS internal auditor and the appropriate campus internal audit director when they become aware of an external audit or review. This includes reviews or site visits generated within a unit or campus that appraises, examines, or evaluates:
 - Operational procedures for adequate internal controls;
 - Financial procedures or transactions for accuracy or compliance;
 - Timeliness, reliability, and usefulness of institutional records or reports, including actuarial reports;
 - Compliance with internal policies and procedures, state law, federal law, or other regulations; or
 - Operational alignment with best practices.Upon completion, a copy of the external audit or review will be provided to the MUS internal auditor and the appropriate campus internal audit director.
 2. Contact the MUS internal auditor and the appropriate campus internal audit director before entering into any contract or agreement for external auditing services. The MUS internal auditor will coordinate with the Montana legislative auditor to ensure compliance with § 5-13-411, MCA.

History:

Item 187-103-R0320, MUS Internal Audit – NEW; Approved by the Board of Regents March X, 2020

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3. Notify the MUS internal auditor and appropriate campus internal audit director when they become aware of a transition of the commissioner, president, chancellor, or CEO.
 4. Notify the MUS internal auditor and the appropriate campus internal audit director when significant changes to operations, systems, or applications are planned.
 5. Provide staffing and other resources as needed, including specialized technical staffing to support internal audit during an engagement.
 6. Provide a timely written response to the audit findings and recommendations. The response must include an achievable management action plan.
 7. Assign departmental personnel the responsibility for ensuring timely implementation of the management action plan.
- D. The Board will periodically review and approve the MUS Internal Audit Charter. 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.

History:

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