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106.1 Purpose

To provide for audit and review of college and system policies, finances, data, operations, and processes.

106.2 Approval

Utah System of Technical Colleges Board of Trustees approval: September 19, 2019.

106.3 References

UCA 53B-2a-102, Commissioner of Technical Education – Appointment – Duties
UCA 53B-2a-104, Board of Trustees Powers and Duties
UTech Policy 101.10.1.3, Bylaws – The Chair of the Audit Committee
UTech Policy 101.10.3, Bylaws – Standing Committees
UTech Policy 105, Commissioner of Technical Education – Functions

106.4 Definitions

- 4.1 **Audit:** A formal examination resulting in a reasonable assurance level of compliance, fair representation, efficiency, etc.
- 4.2 **Review:** A less formal examination resulting in a more limited assurance level of compliance, fair representation, efficiency, etc.

106.5 Board of Trustees Audit and Review Authority

- 5.1 **Internal Audit:** To ensure compliance with applicable laws, policies, and regulations, and to maintain reliability of stakeholder reporting, the Board of Trustees shall annually, in its last regular meeting of the calendar year, identify areas of focus for audits or reviews. To accomplish this purpose, the Board may engage Commissioner's office staff or independent contractors to conduct audits or reviews of any enrollment, instructional, financial, or other operational process, department, or function within the UTech system. Any such audit or review and associated findings, recommendations, and other reports shall be presented to the Audit Committee in the Committee's next meeting after completion of the audit or review.
- 5.2 **External Audits:** The Board of Trustees shall review external audit reports and respond as deemed appropriate.
- 5.3 **Delegation:** The Board of Trustees may delegate its responsibilities in 5.1 and 5.2 above to the Audit Committee.
- 5.4 **Commissioner's Authority:** The Commissioner of Technical Education, in consultation with the Board Chair or Audit Committee Chair may identify specific areas of need or concern and may engage staff or independent contractors to conduct internal reviews of



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any enrollment, instructional, financial, or other operational process, department, or function within the UTech system.

106.6 Audit Committee

- 6.1 Appointment:** The Board of Trustees shall appoint an Audit Committee as specified in Policy 101.10.3 to assist the Board of Trustees in fulfilling its audit, and review responsibilities. The Chair of the Board of Trustees shall appoint a chair of the committee confirmed by a majority vote of the Board. The members, individually, shall be independent and free from any relationship the Board of Trustees believes would interfere with the exercise of each member's judgment as a member of the committee. Membership shall not constitute a quorum of either the Board of Trustees or Executive Committee of the Board.
- 6.2 Authority and Responsibility:** The Audit Committee is not vested with decision-making authority on behalf of the full Board of Trustees. The Audit Committee has authority and responsibility to:
- 6.2.1** Review college budget and financial reports to be apprised of approved budgets and financial position.
 - 6.2.2** Confer with external auditors, legal counsel, and others as deemed appropriate;
 - 6.2.3** Facilitate full access for external auditors during regularly scheduled and unscheduled audits as necessary;
 - 6.2.4** Assist in the resolution of disagreements between institutional representatives and external auditors;
 - 6.2.5** Request information from technical college or commissioner's office administrators, faculty, staff, and other institutional representatives, all of whom are directed to comply with committee requests;
 - 6.2.6** Conduct or authorize investigations into any matters considered necessary to achieve its purposes;
 - 6.2.7** Consult with boards of directors and/or directors' audit committees concerning college finances, operations, internal controls, reporting, etc.; and
 - 6.2.8** Engage commissioner's office staff or independent contractors to conduct internal audits or reviews of any enrollment, instructional, financial, or other operational process, department, or function within the UTech system.
- 6.3 Meetings:** The committee shall meet at least annually with additional meetings as needed to perform its responsibilities.



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6.4 Commissioner's Office Responsibilities: Prior to the last regular Board of Trustees meeting of each fiscal year, Commissioner's office staff shall provide a report to the Audit Committee summarizing external audit reports and associated findings and recommendations along with any action taken by administration as a result of such audits.

6.5 Reporting: The Audit Committee shall provide a report to the full Board of Trustees at least annually, in the Board's last regular meeting of the fiscal year, summarizing the Committee's activities and recommendations. Sensitive information reviewed by the Audit Committee will be held confidentially and discussed only summarily in Board of Trustees meetings with a high level of discretion.

106.7 College Boards of Directors

7.1 Responsibilities: Prior to the first UTech Board of Trustees meeting of each fiscal year, each college board of directors or the board of directors audit committee shall report or cause to be reported to the Board of Trustees Audit Committee regarding internal and external audits, internal controls, ethics reports, and other issues of concern identified by either the Audit Committee or board of directors. Boards of directors shall promptly report to the Board of Trustees Chair, UTech Audit Committee Chair, and Commissioner regarding any apparent fraud or misconduct with any of the following attributes;

7.1.1 Significant embezzlement, theft, or other fraud;

7.1.2 Concerns that may damage an institution's reputation;

7.1.3 Apparent material misuse of institutional resources;

7.1.4 Issues that may be covered by the media; or

7.1.5 Any other issue that requires prompt or immediate attention from the Board of Trustees or the Commissioner.

7.2 Board of Directors Audit Committee: A college board of directors shall create an audit committee to assist the full board in fulfilling its oversight responsibilities for college financial, operational, and reporting matters and to ensure compliance with applicable policies, laws, and regulations. A board of directors audit committee shall not be vested with decision-making authority on behalf of a full board of directors but may be granted similar authority at the college level as the Trustees Audit Committee has at the system level as reflected herein (106.5.3). Committee composition is at the discretion of the board of directors but shall in no way constitute a quorum of either the board of directors or its executive committee.

106.8 Access and Confidentiality

8.1 Access: Staff and/or independent contractors engaged to conduct internal audits or reviews, whether by the Trustees Audit Committee or the Commissioner of Technical



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Education, shall have free and unrestricted access to all records, personnel, and physical properties relevant to the performance of the engagement, provided that access is gained within applicable law.

- 8.2 Sensitive Information:** Auditors, staff, audit committees, and boards shall protect the confidentiality of all sensitive information and shall not disclose any sensitive information except for authorized purposes.