

UTAH STATE UNIVERSITY
Internal Audit Services' Charter

Nature of Internal Audit Services

Internal auditing is an independent objective assurance and consulting activity designed to add value and improve operations of the University. Internal Audit Services helps the University accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

Internal Audit Services has two distinct but compatible functions:

- Serve as a control function by examining and providing assurance to management and appropriate external bodies concerning the adequacy and effectiveness of established controls such as University policies and procedures and other Research I institution standards
- Provide consulting and operational auditing services with the goal of assisting University departments in better fulfilling their mission and objectives

Responsibility, Independence and Authority

The chief audit executive of Internal Audit Services reports directly to the University President. The chief audit executive reports the results of audit activities to the President and to the Board of Trustees' Audit Committee. The hiring and termination of services of the chief audit executive is subject to approval of the Audit Committee.

Internal Audit Services shall serve the University in a manner consistent with the Standards for the Professional Practice of Internal Auditing. Ethical standards of the auditors will conform to the standards of conduct as defined in the Code of Ethics of the Institute of Internal Auditors, Inc. and associated standards of the University.

Internal Audit Services derives its authority directly from the Board of Trustees and the President. Internal Audit Services is authorized to conduct such reviews of University organizational units or functional activities as necessary to accomplish its objectives. Internal Audit Services is authorized access to all records, personnel and physical properties relevant to the performance of audits and reviews.

Mission

The mission of Internal Audit Services is to support the University Administration, its line management and others affiliated with the University in the effective achievement of the University's mission and goals.

Objectives

Internal Audit Services has three primary objectives:

1. Be a resource to assist management in achieving their objectives
2. Conduct a broad scope of assurance and consulting activities focused on adding value to the University's operations.
3. Work as a team to improve the University's operations

Scope

The scope of Internal Audit Services' activities includes assessing University processes to provide reasonable assurance regarding the achievement of University objectives in the following categories:

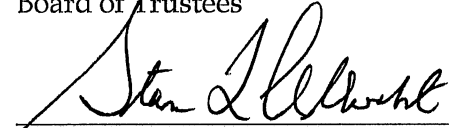
- Effectiveness and efficiency of operations
- Reliability of financial reporting
- Compliance with applicable laws and regulations
- Safeguarding of assets

The results of engagements, the conclusions formed and the recommendations made are promptly reported to the appropriate administrative personnel. Management is responsible for seeing that corrective action on any reported deficient conditions is either planned or taken within a reasonable period of time after receipt of a report disclosing those conditions. Management is also responsible for seeing that a written response is included in the formal audit report indicating the actions to be taken to correct the deficiencies noted.

Managements' plans or actions taken to correct reported conditions are evaluated by the chief audit executive of Internal Audit Services with reporting to and oversight by the Board of Trustees' Audit Committee for satisfactory implementation of audit recommendations. If the implementation is considered unsatisfactory, the line Vice President or the Provost is responsible to see that appropriate actions are taken to achieve satisfactory compliance.



Date 4/7/06
David P. Cook, Chairman of the Audit Committee
Board of Trustees



Date 4-7-06
Stan L. Albrecht, President
Utah State University

Approved by Board of Trustees' Audit Committee, February 13, 2004