

**Financial Policy & Procedure Instructions Manual  
FPI J-5 Internal Auditors**

Internal Auditing is not part of Business and Financial Services, but is an important factor in the business operations of Colorado State University.

**Charter for the Internal Auditing Department**

It is the policy of the State Board of Agriculture to provide an internal auditing department to serve as an independent appraisal function for Colorado State University, Fort Lewis College, and the University of Southern Colorado. The objective of the internal auditing department is to assist members of the organization in the effective discharge of their responsibilities. To this end, internal auditing provides analyses, appraisals, recommendations, counsel, and information concerning the activities reviewed.

The members of the State Board of Agriculture and the three institutions it governs are all served by the internal auditing department. Internal auditors owe a responsibility to the Board and the management of the institutions, providing them with information about the adequacy and effectiveness of the organization's system of internal control and the quality of performance. The information furnished to each may differ in format and detail, depending upon the requirements and requests of management and the Board.

The Vice Secretary/Treasurer of the SBA and the audit committee are assigned responsibility for the internal audit function and will ensure that:

- Departments, programs, activities, and functions within each institution are reviewed at appropriate intervals to determine whether they are efficiently and effectively carrying out their functions of planning, accounting, stewardship, and control in accordance with State Board of Agriculture and institutional policies and objectives.
- Audit findings and recommendations for corrective action are promptly reported to management personnel responsible for taking appropriate action.
- Any plans or actions taken to correct reported conditions are evaluated for satisfactory disposition of audit findings and, if the disposition is considered unsatisfactory, to see that further discussions are held to achieve satisfactory disposition.

The director of internal auditing and his staff of auditors shall have complete and timely access to all institutional activities, records, property, and personnel.

In performing the above functions, the director of internal auditing has no direct responsibility for nor any authority over any of the activities reviewed. Therefore, the internal audit review and appraisal does not in any way relieve other persons in the institutions of the responsibilities assigned to them.

(Next two paragraphs adopted December 13, 1983)

The SBA Internal Auditing Department will attempt to resolve all internal audit findings at the lowest administrative level capable of implementing the necessary corrective action.

Reported internal audit findings are reviewed with the auditee (e.g., department head, unit manager) at six month intervals until all audit findings are resolved. "Resolution" means satisfactory corrective action is taken or the audit recommendation is rejected. Where resolution of findings is untimely or, in the auditor's opinion, will result in significant exposure from control weakness or lost opportunity to improve productivity, resolution will be pursued at appropriate higher administrative levels.

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The State Board of Agriculture Internal Auditing Department will be managed in accordance with standards for the professional practice of internal auditing, promulgated by the Institute of Internal Auditors, Inc.

Contact: Internal Auditing Department, Johnson Hall, Colorado State University, 970-491-6176.