



AUDITING AND BUDGETING POLICY

OPERATING | 500.575

Last Evaluation

1/2/2024

Executive Staff Approval

1/8/2024

Board Approval

1/17/2024

1. Policy Purpose

This policy provides a framework for spending and auditing financial resources within guidelines that support College and student success.

2. Policy Statement

Mountainland Technical College (MTECH) administers financial matters in accordance with generally accepted accounting principles (GAAP), ensuring proper control of resources. Internal audits, under the direction of the Audit Committee, confirm the financial stability of the College.

3. Definitions

Audit Committee - A subcommittee of the MTECH Board of Trustees, responsible for advising the board on financial matters and oversees internal auditing functions of the college.

4. References

[Utah Code §53B-6-102](#) - Standardized Systems Prescribed by the Board

[Utah Code §53B-7-101](#) - Financial Affairs Under the General Supervision of the Board

[Utah Code §631-5](#) - Utah Internal Audit Act

[Board Policy R561](#) - Accounting and Financial Controls

[Board Policy R567](#) - Internal Audit Program

Institute of Internal Auditors, International Standards for the Professional Practice of Internal Auditing (IIA Standards)

[Board Policy R565](#)- Audit Committees

5. Policy

5.1 Auditing and Budgeting

MTECH's Finance Department is responsible for allocating the financial resources of the College under the direction of the Vice President of Administrative Services, the Controller, the College President, and the College Board of Trustees. All spending should be guided by, and support, the mission of the College and its strategic plan. Budgets should be consistently developed, monitored, and reviewed against actual activity so that resources can be allocated and reallocated to facilitate the needs of MTECH departments.

In order to ensure the College has the financial stability to consistently meet financial obligations and objectives, adequate auditing and budgetary controls are developed, monitored, and reviewed. Financial records are maintained in accordance with current local, state, and federal requirements and guidelines.

5.2 Creation of the Audit Committee

This policy creates a standing Audit Committee to assist the full board in overseeing financial matters and to oversee institutional internal audit activities in accordance with the *Internal Audit Act* and IIA Standards.

The Audit Committee shall provide advice and recommendations to the Board of Trustees regarding institutional oversight and internal controls. Although the Audit Committee is not vested with decision making authority on behalf of the Board of Trustees, the Audit Committee has authority to:

- 5.2.1 Oversee the internal audit activities within the institution;
- 5.2.2 Confer with external auditors, legal counsel, and others as necessary;
- 5.2.3 Assist in resolving disagreements between institutional representatives and external auditors;

- 5.2.4 Access any and all data, information, records, and personnel to fulfill its purpose and responsibilities;
- 5.2.5 Conduct or authorize investigations into any matters considered necessary to achieve its purpose; and
- 5.2.6 Consult with institutional representatives, the Board of Trustees, and the Board of Higher Education Audit Subcommittee concerning the adequacy of the institution's internal audit activities, staffing levels, and internal controls.

5.3 Membership

The Audit Committee shall consist of at least three but no more than five members, including at least three members of the Board of Trustees. The Committee members will be appointed by the Trustee Chair. Unless a Committee Chair is appointed by the Board Chair, the members of the Committee may designate a Chair by majority vote. When practicable, at least one of the Committee members should have financial expertise either through professional certification or experience.

5.4 Meetings

The Committee shall meet at least three times per year, with additional meetings as needed. The Committee may invite institutional administrators, auditors, and others to attend meetings and provide pertinent information. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Informal minutes will be prepared.

5.5 Responsibilities

- 5.5.1 The Committee shall schedule meetings and correspondence as necessary to maintain regular, independent communication and information flow between the Audit Committee and external auditors.
- 5.5.2 Review the institution's financial statements, including significant accounting and reporting issues. This includes reviewing the management discussion and analysis of the financial statements, along with any analyses prepared by institutional administration and/or external auditors setting forth significant financial reporting issues and judgments made in connection with the preparation of the financial statements.

- 5.5.3 Review with the administration and the external auditors the results of the annual financial statement audit, including audit scope and approach, any restrictions on the auditor's activities or on access to requested information, and any significant disagreements with institutional representatives.
- 5.5.4 Review information regarding the institution's control environment, means of communicating standards of conduct, and practices with respect to risk assessment and risk management.
- 5.5.5 Confer with external and internal auditors regarding the quality of institutional systems of internal control.
- 5.5.6 Review information regarding the receipt, retention, and treatment of complaints, including anonymous complaints about accounting, auditing, internal control, and other related issues.
- 5.5.7 Review with campus administrators and other institutional representatives the adequacy of the institution's auditing personnel, staffing levels, and controls.
- 5.5.8 Review information provided by the administration regarding systems for monitoring compliance with all applicable laws and regulations.
- 5.5.9 Obtain regular updates from institutional administrators and/or legal counsel regarding instances of material noncompliance that might have implications for the institution.
- 5.5.10 Review with the administration and the chief internal audit executive the charter, plans, activities, staffing and organizational structure of the internal audit function.
- 5.5.11 Review any restrictions and limitations on internal auditing activities.
- 5.5.12 Appoint, evaluate performance, and if necessary, dismiss the institution's chief internal audit executive.

5.5.13 Receive and review internal audit reports and/or periodic summaries of internal audit activities prepared by the chief internal audit executive.

5.5.14 Schedule meetings and correspondence as necessary to maintain regular, independent communication and information flow between the Committee and the institution's chief internal audit executive.

5.6 Reporting

5.6.1 At least annually, the Committee shall provide a report or minutes of meetings to the full Board of Trustees detailing the Committee's activities and recommendations.

5.6.2 The Trustees Chair and Audit Committee Chair shall meet at least annually with the Board of Higher Education Audit Subcommittee to provide updates on the institutional activities required by this policy.

5.6.3 The Committee shall prepare an annual report summarizing internal and external audit results from the prior year and an audit plan for the upcoming year. This report shall be submitted to the Board of Higher Education audit director no later than five business days before the annual Board of Higher Education Audit Subcommittee meeting.

6. Evaluation History

Last Evaluation	Executive Staff Approval	Board Approval
3/3/2021	4/12/2021	5/19/2021
10/28/2022	11/21/2022 Procedure change only	
3/3/2023	3/6/2023	3/15/2023
1/2/2024	1/8/2024	1/17/2024