



AUDITING AND BUDGETING POLICY

OPERATING | 500.575

Last Evaluation

01/29/2025

Executive Staff Approval

04/14/2025

Board Approval

05/21/2025

1. Policy Purpose

Mountainland Technical College (MTECH) administers financial matters consistent with local, state, and federal requirements and in accordance with generally accepted accounting principles (GAAP), ensuring proper control of resources.

This document satisfies the requirements for auditing and budgeting procedures as set forth by the Council on Occupational Education (COE) in Standard 7.4.

2. Definitions

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

Board of Trustees - An institutional advisory committee composed of prominent professionals from the Mountainland Region (Utah, Wasatch, and Summit counties) that represent education, business, and industry.

Chief Internal Audit Executive - Vice President of Administrative Services/Chief Financial Officer.

3. References

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

Financial Affairs Under the General Supervision of the Board, Utah Code § 53B-7-101

Standardized Systems Prescribed by the Board, Utah Code § 53B-6-102

Utah Board of Higher Education Policy R561, *Accounting and Financial Controls*

Utah Board of Higher Education Policy R565, *Audit Committees*

Utah Board of Higher Education Policy R567, *Internal Audit Program*

Utah Internal Audit Act, Utah Code § 63I-5

4. Policy

4.1 Auditing and Budgeting

Mountainland Technical College's (MTECH) Finance Department is responsible for allocating the financial resources of the college under the direction of the Vice President (VP) of Administrative Services/Chief Financial Officer (CFO), the Associate Vice President (AVP) of Finance/Controller, the College President, and the Board of Trustees. All spending supports and is guided by the mission of the college and its strategic plan. Budgets should be consistently developed, monitored, and reviewed against actual activity for resource allocation to facilitate the needs of MTECH departments.

In order to ensure the college has 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.

4.2 The Audit Committee

- 4.2.1 The Audit Committee assists the Board of Trustees in overseeing financial matters and institutional internal audit activities in accordance with Utah Code § 63I-5 and IIA Standards.
- 4.2.2 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. Committee members will be appointed by the Chair of the Board of Trustees. Unless a committee chair is appointed by the Board Chair, the members of the committee may designate a Committee Chair by majority vote. When practicable, at least one of the members should have financial expertise either through professional certification or experience.
- 4.2.3 The Audit 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.
- 4.2.4 Authority

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:

- 4.2.4.1 Oversee the internal audit activities within the institution.
- 4.2.4.2 Confer with external auditors, legal counsel, and others as necessary.
- 4.2.4.3 Assist in resolving disagreements between institutional representatives and external auditors.
- 4.2.4.4 Access any and all data, information, records, and personnel to fulfill its purpose and responsibilities.
- 4.2.4.5 Conduct or authorize investigations into any matters considered necessary to achieve its purpose.
- 4.2.4.6 Consult with institutional representatives, the Board of Trustees, and the Utah Board of Higher Education (UBHE) Board Audit Committee concerning the adequacy of the institution's internal audit activities, staffing levels, and internal controls.

4.2.5 Responsibilities

- 4.2.5.1 The committee shall schedule meetings and correspondence as necessary to maintain regular, independent communication and information flow between the Audit Committee and external auditors.
- 4.2.5.2 Review the institution's financial statements, including significant accounting and reporting issues. This includes reviewing the management discussion and analysis of 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 financial statements.
- 4.2.5.3 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.
- 4.2.5.4 Review information regarding the institution's control environment, means of communicating standards of conduct, and practices with respect to risk assessment and management.
- 4.2.5.5 Confer with external and internal auditors regarding the quality of institutional systems of internal control.
- 4.2.5.6 Review information regarding the receipt, retention, and treatment of complaints, including anonymous complaints about accounting, auditing, internal control, and other related issues.
- 4.2.5.7 Review adequacy of the institution's auditing personnel, staffing levels, and controls with institutional administrators and representatives.
- 4.2.5.8 Review information regarding systems for monitoring compliance with all applicable laws and regulations.

- 4.2.5.9 Obtain regular updates from institutional administrators and/or legal counsel regarding instances of material noncompliance that might have implications for the institution.
- 4.2.5.10 Review the charter, plans, activities, staffing, and organization structure of the internal audit function with the institutional administration and the chief internal audit executive.
- 4.2.5.11 Review any restrictions and limitations on internal auditing activities.
- 4.2.5.12 Appoint, evaluate performance, and if necessary, dismiss the institution's chief internal audit executive.
- 4.2.5.13 Receive and review internal audit reports and/or periodic summaries of internal audit activities prepared by the chief internal audit executive.

4.2.6 Reporting

- 4.2.6.1 At least annually, the committee shall provide a report or meeting minutes to the full Board of Trustees detailing the committee's activities and recommendations.
- 4.2.6.2 The Trustees Chair and Audit Committee Chair shall meet at least annually with the UBHE Audit Committee to provide updates on the institutional activities required by this policy.
- 4.2.6.3 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 UBHE Audit Director no later than five business days before the annual UBHE Audit Committee meeting.

5. Evaluation History

Last Evaluation	Executive Staff Approval	Board Approval
03/03/2021	04/12/2021	05/19/2021
10/28/2022	11/21/2022 Procedure change only	
03/03/2023	03/06/2023	03/15/2023
01/02/2024	01/08/2024	01/17/2024

01/29/2025	04/14/2025	05/21/2025
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