Colorado School of Mines
Office of the Treasurer, Board of Trustees
Internal Audit Charter

Introduction

The Department of Internal Audit is established within the Colorado School of Mines to independently examine and evaluate the activities of the School. The objective of internal audit is to assist members of the School in the effective discharge of their responsibilities. To achieve this, internal audit provides analyses, recommendations, counsel and information concerning the activities reviewed.

Role of the Department of Internal Audit

The Department of Internal Audit is established by the Board of Trustees. The internal auditor is appointed by the Board of Trustees upon the recommendation of the Treasurer and reports administratively to the Treasurer and functionally to both the Treasurer and the Budget and Finance Committee of the Board of Trustees.

Authorization and Responsibilities

The Department of Internal Audit is granted full and complete access to any of the School’s records, physical properties, personnel and material relevant to an audit or review. Documents and information given to the internal auditor during the course of an audit or review will be handled in a prudent manner.

To ensure the independence and objectivity of the internal audit function, the Department of Internal Audit has no direct responsibility or authority for activities or operations reviewed. The internal audit review and appraisal activity does not, in any way, relieve other persons in the School of the responsibilities assigned to them.

The Department of Internal Audit is responsible for:

- Developing a flexible annual audit plan which includes any risks or control concerns identified by management and the Budget and Finance Committee.
- Implementing the annual audit plan including any special tasks or projects requested by management and the Budget and Finance Committee.
- Performing consulting services, beyond auditing, to assist management in meetings its objectives. For example, review of the design and development of major computer-based systems to determine if adequate controls are incorporated in the systems.
- Issuing periodic reports to management and the Budget and Finance Committee summarizing results of audit activities.
Assisting in the investigation of suspected fraudulent activities at the School and notify management and the audit committee of the results.

Audit Standards and Scope

The Department of Internal Audit will conduct its activities in accordance with accepted standards for the professional practice of internal auditing and all applicable state and federal laws and regulations. The scope of internal auditing encompasses examination and evaluation of the adequacy and effectiveness of the School’s system of internal control and the quality of performance in carrying out assigned responsibilities.

Such activities include:

- Reviewing the reliability and integrity of financial and operational information.
- Reviewing systems established to ensure compliance with applicable policies, procedures and other guidelines.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Reviewing and appraising the economy and efficiency with which resources are used.
- Reviewing operations or programs to determine if results are consistent with established objectives and goals.

Reporting

At the conclusion of each audit, the Department of Internal Audit will issue a report to which the responsible department will respond. Copies of the completed audit report, including departmental responses, will be provided for the President, Treasurer and Budget and Finance Committee.

Resolution of Audit Findings

The Department of Internal Audit will attempt to resolve all internal audit findings at the appropriate administrative level to implement the necessary corrective action.

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

Approved by the Board of Trustees, December 15, 2005