



TO: The Academic Senate

RE: Proposed University Policy 3-018 INTERNAL CONTROLS

Attached for your consideration and approval is a proposal for a new University Policy, 3-018 Internal Controls. This policy has been deemed to be relevant to the University's academic missions, and therefore will be on the debate agenda for the December 7, 2009 meeting of the Senate.

If approved, it will then go on to the Board of Trustees for final approval. The proposed effective date for the new policy is December 8, 2009.

Executive Summary – Policy 3-018 Internal Controls

11/09/09

This new policy is designed to communicate the University's expectations for and commitment to providing a strong internal control environment. Internal Controls are a means by which an organization's resources are directed, monitored, and measured. They play an important role in preventing and detecting error or fraud, and protecting the organization's resources, both physical and intangible. Internal Control objectives relate to the reliability of financial reporting, timely feedback on the achievement of operational or strategic goals, and compliance with laws and regulations. Some examples of these controls include reconciliations, segregation of duties, review and approval authorizations, safeguarding and accountability of assets, etc. The benefits of a strong control environment include the mitigation of various risks (e.g. financial, reputational, etc.) that could arise if controls are lacking.

The policy outlines specific roles and responsibilities for University faculty and staff and various departments.

Adopting this policy will facilitate the development of various Rules to strengthen controls and promote sound business practices.