



Category:  
Audit  
Internal Audit

Responsible Office:  
[University Auditor](#)

**Policy Title:**

Internal Audit Function: NYS AAIC Act 1987

Document Number:  
9201

Effective Date:  
March 22, 1989

This policy item applies to:  
State-Operated Campuses  
Statutory Colleges

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**Summary**

This policy sets forth the plan for State University of New York's compliance with components of the New York State Governmental Accountability, Audit and Internal Control Act of 1987 as it relates to the internal audit function.

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**Policy****Background**

The University's Board of Trustees established an audit committee on May 24, 1988, in an effort to strengthen the University's initiatives for accountability. The committee is primarily responsible for oversight and review of various accountability systems within the University, particularly internal and external auditing functions. It is also required to review and approve the organization and responsibilities of the office of the University auditor and the University's program of internal audit (refer to the Establishment of the Audit Committee of the Board of Trustees ).

New York State director of the budget issued [Item B-350](#) *Governmental Internal Controls and Internal Audit Requirements* that lists state agencies required to establish and maintain an internal audit function pursuant to the requirements of the New York State Governmental Accountability, Audit and Internal Control Act of 1987 ("Act"), which is updated periodically.

Several steps needed to be taken so that adherence to the budget bulletin and the "Act" could be assured. These steps were outlined in the "State University of New York Plan for Complying with the Requirements of the New York State Governmental Accountability, Audit and Internal Control Act of 1987 Relating to the Internal Audit Function" (Appendix A). The audit committee reviewed and approved the plan and recommended that the full Board of Trustees adopt the related resolution, which further authorized the chancellor, or designee, to take all steps necessary or appropriate to carry out the plan pursuant to the requirements of the "Act".

Actions taken under the plan included the following: approval of the Board of Trustees charter for the office of the university auditor, submission of annual audit plans and annual reports to the audit committee, establishment of required reporting relationships and appointments related to the internal audit function.

## Approval of the Plan

The plan was adopted by the University Board of Trustees on March 22, 1989. The specifics of the plan included:

- The University's commitment to maintain a strong effective internal audit function;
- Establishment of the University's internal audit function that would consist of system administration's office of the University auditor and several campus-based internal audit departments at its larger campuses;
- Approval by April 1, 1990 of a charter for the office of the University auditor establishing that office's purpose, authority and responsibility;
- Submission to the audit committee of an annual consolidated audit plan for the internal audit function as well as an annual report of internal audit activities;
- Establishment of reporting relationships for the internal audit function; and
- Affirmation of the appointment process for the University auditor and the campus-based internal audit directors.

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## Definitions

**Internal audit** - An independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

**Internal control** - The integration of the activities, plans, attitudes, policies, and efforts of the people of an organization working together to provide reasonable assurance that the organization will achieve its objectives and mission. The objectives of an internal control system include, but are not limited to: the safeguarding of assets; checking the accuracy and reliability of accounting data and financial reporting; promoting the effectiveness and efficiency of operations; ensuring compliance with applicable laws and regulations; and encouraging adherence to prescribed managerial policies. Internal control review processes are used periodically to evaluate the ongoing internal control system and to assess and monitor the implementation of necessary corrective actions.

**State agency** - Any state department, State University of New York, City University of New York, board, bureau, division, commission, committee, council, office or other governmental entity performing a governmental or proprietary function for the state, or any combination thereof as provided under law, except any public authority or public benefit corporation, the judiciary or the state legislature.

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## Other Related Information

[Audit Committee of the Board of Trustees, Establishment of](#)

New York State Governmental Accountability, Audit and Control Act, Chapter 510 of the Laws of 1999, amending relevant laws as follows:

[NYS Executive Law §950](#) (Internal Control Responsibilities of State Agencies)

[NYS State Finance Law §2-a](#) (Definitions of the Duties of the New York State Comptroller)

[NYS State Finance Law §8\(2-b\) and \(2-c\)](#) (Duties of the New York State Comptroller relating to New York State Governmental Accountability, Audit and Internal Control Act and State agencies)

[NYS State Finance Law §112](#) (State Accounting Systems; approval of contracts)

[NYS Public Officers Law §87\(2\)\(g\)\(iv\)](#) (Access to State Agency Records- External Audits, Freedom of Information Law).

In case of questions, readers are advised to refer to the New York State Legislature site for the menu of [New York State Consolidated](#).

## **Procedures**

There are no procedures relevant to this policy.

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## **Forms**

There are no forms relevant to this policy.

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## **Authority**

Chapter 510 of the Laws of 1999.

Chapter 814 of the Laws of 1987.

State University of New York Board of Trustee Resolution 89-48 adopted March 22, 1989.

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## **History**

There is no history relevant to this policy.

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## **Appendices**

[Appendix A](#) - SUNY Plan for Complying with the Requirements of the NYS Governmental Accountability, Audit and Internal Control Act of 1987 Relating to the Internal Audit Function.