



UNIVERSITY OF MINNESOTA
BOARD OF REGENTS POLICY

Page 1 of 1

Administrative

INTERNAL CONTROLS

Adopted: May 8, 1998

Amended: May 14, 2004

INTERNAL CONTROLS

Subd. 1. Integrated Framework. The control model for the University of Minnesota (University) is the Integrated Framework of Internal Control as promulgated by the congressionally established Committee of Sponsoring Organizations (COSO).

Subd. 2. Objectives. The president or delegate shall administer an integrated framework of internal control and risk assessment practices that ensures:

- (a) University activities and operations function effectively and efficiently;
- (b) compliance with laws, regulations, and University policies and standards;
- (c) University processes result in accurate and reliable financial information and reports;
- (d) University resources are adequately protected; and
- (e) traditional and emerging operational, financial, compliance, and reputational risks are being properly identified and appropriately managed.

Subd. 3. Implementation Principles. The president or delegate shall establish the foundation for sound internal control within the University through directed leadership, shared values, and a culture that emphasizes accountability such that:

- (a) all material risks facing the University are identified and assessed routinely at all levels and within all University functions;
- (b) control activities and other mechanisms are proactively designed to address and manage significant risks;
- (c) information critical to identifying risks and meeting the University's mission and strategic objectives is communicated through established channels throughout the University; and
- (d) monitoring of controls is performed and identified problems are addressed in a timely manner.

Subd. 4. Responsibility. Notwithstanding any delegation made by the president to administer this policy, the president shall be responsible to the Board of Regents (Board) for the faithful execution of the integrated framework of internal control consistent with the policies of the Board and applicable law.