INTERNAL CONTROL PRINCIPLES
OFFICE OF THE INTERNAL AUDITOR
UNIVERSITY OF THE VIRGIN ISLANDS

The University President, Cabinet, and managers are charged with the responsibility for establishing a
network of control processes for the purpose of implementing proper and effective internal controls
over the operations of the University in order to provide the Board of Trustees with reasonable
assurance that:

- Data and information published either internally or externally is accurate, reliable, complete and
timely.
- The actions of University employees are in compliance with the University’s policies, standards,
plans and procedures, and all relevant laws and regulations.
- The University’s resources, including its employees, systems, data, and goodwill, are adequately
protected.
- Resources are acquired economically and employed effectively; and quality business processes
and continuous improvement are emphasized.
- The University’s internal controls promote the achievement of plans, programs, goals, and
objectives.

Controlling is a function of management and is an integral part of the overall process of managing
operations. As such, it is the responsibility of managers at all levels of the University to:

- Identify and evaluate the exposures to loss relating to their scope of operations.
- Specify and establish policies, plans, and operating standards, procedures, systems and other
disciplines to be used to minimize, mitigate, and/or limit the risks associated with the exposures
identified.
- Establish practical controlling processes that require and encourage employees to carry out their
duties and responsibilities in a manner that achieves the control objectives outlined above.
- Maintain the effectiveness of the controlling processes established and foster continuous
improvement to these processes.

The Office of Internal Audit is charged with the responsibility for ascertaining that the ongoing control
processes are adequately designed and are functioning in an effective manner. The Office is responsible
for reporting to the President and the Audit Committee of the Board of Trustees on the adequacy and
effectiveness of the University’s systems of internal control and to make recommendations, as
necessary, to improve the systems of control governing the operations of the University.

The Audit Committee of the Board of Trustees is responsible for monitoring, overseeing, and evaluating
the duties and responsibilities of University managers, Office of Internal Audit and the external auditors
with respect to the University’s network of processes to control its operations. The Audit Committee is
also responsible for determining that all material opportunities for improvement reported by the Office
of Internal Audit, external auditors, and other external advisors (Federal and local Inspectors General,
for example) have been satisfactorily resolved and implemented. Finally, the Audit Committee is
responsible for reporting to the Board of Trustees all significant, material matters pertaining to the
University’s internal control structure.

To assist the University with ensuring that it maintains a proper network of process controls, the Office
of Internal Audit has developed an Internal Control Questionnaire, as attached, which can be used to
validate a proper and effective set of internal controls or identify areas where a department or unit of
the University needs to strengthen its controls.