

## USF Institute of Applied Engineering (IAE)

Policy Number: <b>100-02</b>	Supersedes: New
Approval: USF IAE BOD 11/6/2018	Subject: <b>Internal Controls and Internal Audit</b>
Effective date: 11/6/2018	

### **I. SCOPE AND PURPOSE**

USF System Audit provides independent, objective assurance, advisory, and investigative services to assist USF System management and Board of Trustees in the effective discharge of their responsibilities. USF System Audit helps the USF System accomplish its goals and objectives through a systematic, disciplined approach to evaluating and improving risk management, internal control, compliance, and governance processes, as well as promoting accountability, integrity, and efficiency in the operations of the USF System, to include IAE as one of the USF System's Direct Support Organizations (DSOs).

In addition, the USF System and its DSOs have internal control objectives as set forth by the USF Board of Trustees. These internal controls are in place in order to reduce USF System's exposure to financial, operational, strategic, compliance, and reputational risks. This system of internal controls promotes effectiveness and efficiency in operations, minimizes risk of asset loss, helps ensure the reliability of financial and operational information, and supports compliance with applicable laws, rules, and regulations. As a provider of products and services to the United States Federal government, IAE will have unique requirements established by agencies such as the Defense Contracts Audit Agency (DCAA) and regulations such as the National Industry Security Program Operating Manual (NISPOM) that its internal controls must account for. Internal controls provide reasonable assurance for mitigating risk; however, no system of control can provide absolute assurance.

### **II. POLICY**

IAE adopts USF System Policies #0-023 (Internal Control) and #0-025 (USF System Audit).

Distribution:

1. IAE Board of Directors
2. Staff

Policy Owner: This policy was developed by the IAE Executive Director. Any questions regarding this policy should be directed to 813-974-6557.