

Financial Reviews - Policy & Procedures

1.0 Purpose

- 1.1 This document provides guidance for the regular after-the-fact review of financial transactions charged to AUIB accounts. The document seeks to clarify roles, responsibilities, tools, documentation, and related policies and procedures. The University shall maintain a financial management system to accomplish the proper recording, approvals, and reporting of financial transactions.

2.0 Scope

- 2.1 This policy applies to all initiatives with the University, such as financial managers in university schools, colleges, departments, centers, grants, scholarships, contracts, Institutes, and Programs ("university departments") that generate financial transactions, and should review and understand these guidelines.

3.0 Definitions

- 3.1 Financial transactions - all financial activity (actuals and commitments) posted to unrestricted, designated, and restricted accounts. Restricted accounts include but not limited to gift accounts, endowment spendable, and sponsored research.

4.0 Policy

- 4.1 AUIB is committed to maintaining an effective system of internal control in order to provide accurate and reliable financial reporting and protection of assets, to promote operational efficiency of fiscal resources, and to encourage adherence to prescribed policies.
- 4.2 It is the policy of AUIB to create a strong culture of financial internal controls to ensure compliance, integrity and transparency. Additionally, it is the policy of the university to use and secure financial resources and assets in a responsible and appropriate manner to support the university's mission, consistent with ethical practice.
- 4.3 Maintain effective internal review processes for financial transactions and summary financial information, including, but not limited to:
- Periodic budget-to-actual analysis of all financial activity.
 - Variances identified, analyzed, and addressed with appropriate actions where needed to ensure the contributing activities and subsequent reporting are accurate and appropriate.
 - Any initiative within the University must be reviewed by the Office of Financial Administration for financial impact and risk before any commitment, legal or otherwise, involving income to or expenditure by the university is made.

5.0 Procedures

- 5.1 Although individual units may use supplemental systems to monitor selected unit trends and activities, financial review is necessary to validate that the University's centrally



maintained financial data is complete and accurate. The integrity of the financial data maintained in the University's central enterprise system, including the accuracy of revenue and expenditure functional classification, is critical for University-wide reporting

- 5.2 The Vice President of Administration and Finance (VPAF) will determine whether the initiative requires a legal opinion and, if so, will consult with the University's legal counsel.
- 5.3 The VPAF will conduct the review in a timely manner and prepare a memorandum to the President summarizing the findings and conclusions of the review.

Related Policies and Documents

Conflict of Interest Policy
Financial Management Policy
Risk Management Policy
Financial Aid Policy
Gifts Policy
Grants Policy