

**UNIVERSITY OF THE VIRGIN ISLANDS  
BOARD OF TRUSTEES RESOLUTION  
INTERNAL AUDIT FUNCTION**

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Purpose: To approve the addition of an Internal Audit function at the University of the Virgin Islands.

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WHEREAS, colleges and universities have become subject to intensive scrutiny by governmental agencies, alumni, donors, faculty and students; and

WHEREAS, in the wake of corporate accounting scandals, Congress in 2002 passed the Sarbanes-Oxley Act, the intent of which is to enhance governance process and strengthen independent and board oversight of management; and

WHEREAS, the law contains many sound provisions that could lead to improvements to include internal controls in higher education institutions; and

WHEREAS, colleges and universities receiving federal funding are required to adhere to General Accounting Office (GAO) standards related to audit independence, a critical part of the Sarbanes-Oxley provisions; and

WHEREAS, the University's external auditor, Ernst & Young, strongly recommends that the University hires an experienced auditor to develop the internal audit function, which would be an effective element of the University's systems of internal accounting and administrative controls; and

WHEREAS, the Board of Trustees of the University of Virgin Islands is in need of timely, reliable financial information to help them better understand and communicate the fiscal condition of the institution; and

WHEREAS, the addition of an Internal Audit function to the University of the Virgin Islands' organizational structure will assist the Administration with sufficient information to determine whether University operations are functioning efficiently, effectively, and in accordance with management's intent.

NOW THEREFORE BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE UNIVERSITY OF THE VIRGIN ISLANDS:

Section 1: That an Internal Auditor function be developed and implemented at the University of the Virgin Islands.

Section 2: That the Internal Auditor report operationally to the President and be accountable to the Board of Trustees' Finance Committee.

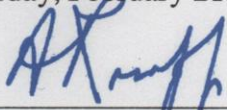


Section 3: That the President, Vice President for Administration and Finance, and the Finance Committee Chairman explore how to establish and fund the Internal Auditor function as early as feasible.

Section 4: That this resolution shall be in full force and effect from and after its adoption.

CERTIFICATION

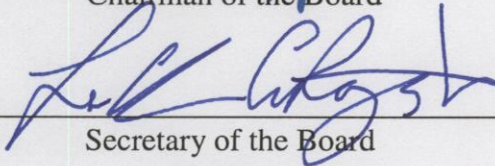
The undersigned does hereby certify that the foregoing is a true and exact copy of a resolution of the Board of Trustees of the University of the Virgin Islands adopted at its meeting on Saturday, February 21, 2004 as recorded in the minutes of said meeting.



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Chairman of the Board

02-24-04

\_\_\_\_\_  
Date



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Secretary of the Board

02-24-04

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Date