

Date: September 7, 2018  
To: Eastern New Mexico Board of Regents  
From: Jessica Small, internal auditor/affirmative action officer  
Via: Jeff Elwell, chancellor  
Subject: Internal Audit Materiality Thresholds

**Summary Status**

University policy 10-7-8(D) Charter of Audit and Finance Committee- Internal Auditor requires that periodic reports from the internal auditor on the status and results of the audit plan and significant audit findings be submitted to the Committee.

Internal Audit Standard 2060 Reporting to Senior Management and the Board also requires that reporting must including significant risk and controls issues that require the attention of senior management and/or the board.

However, it is senior management and the board who define what significant entails.

**Action Requested**

Approval to establish the following for audit materiality thresholds for reporting purposes:

Immaterial- 0% to 4.99% of the dollar amount or the number of transactions tested noted as exceptions in the population.

Significant- 5% to 9.99% of the dollar amount or the number of transactions tested noted as exceptions in the population.

Material- greater than 10% of the dollar amount or the number of transactions tested noted as exceptions in the population.

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