Re: Audit

Policy

The Finance Department shall be responsible for all financial audits and shall be responsible for all fiscal compliance requirements, both external and internal. The Finance Department shall maintain appropriate systems and documents.

Background

Auditing is a basic requirement for financial control. Audits are required by external funding agencies as a safeguard for their funds. The University conducts regular annual audits of financial reports and systems. There are program specific audits conducted on a regular basis as determined by various granting authorities. All financial audits are conducted through Finance.

Procedure

1. The Controller (or designee) shall make all reasonable efforts to facilitate and supply information to the auditor during and prior completion of audit.
2. The auditors shall, during the development of its “preliminary audit findings,” provide information to the Controller. The Controller shall develop draft responses to the findings.
3. The Chief Financial Officer (CFO) shall approve the final response.
4. Corrective action plan will be developed and implemented by the Controller, as appropriate.
5. Finance will coordinate a meeting with the Audit and Compliance Committee of the Board of Trustees (BOT), the University Internal Auditor, and the external auditor.

Responsibilities

1. The CFO is responsible for audits.
2. The Audit and Compliance Committee of the BOT oversees the audit function, engages the external auditor, and receives the annual audit report.
Standard

Finance: Audit Effective Date: August 13, 2010
Previous Date: May 1, 2002

Re: Internal Audit

Standard

The Internal audit department shall report straight-line to the Audit and Compliance Committee and dotted-line to the University President. The Board of Trustee’s Audit and Compliance Committee shall review and provide oversight of the internal audit function. The internal audit department shall provide information to and coordinate information with the Finance Department as appropriate.

Background

Internal auditing is intended to provide a positive impact to the efficiency and effectiveness of administrative functions. Internal audit is intended to perform independent reviews and analyses related to business risk, internal control improvements, enhancements to business functions, compliance with external and internal regulations, policies, and procedures.

Procedure

Internal Audit:
1. Submits reports to the President, Chief Financial Officer, and Audit and Compliance Committee of the Board.
2. Reviews financial results and practices, monthly.
3. Works with appropriate staff to review program or department matters.
4. Works with external auditors to follow-up on recommendations.
5. Reviews integrity of Information Systems, financial practices, and other safeguards.
6. Reviews and makes recommendations to policies and procedures.

Responsibilities

1. The Audit and Compliance Committee oversees the function.
2. The Chief Financial Officer is responsible for all financial activities.
3. The University internal auditor manages the internal audit program.

References

Institute of Internal Auditors
Re: **External Audit**

**Standard**

The University shall maintain appropriate systems and records in support of external audit requirements. External audits may be programmatic, or financial. Financial audits will be conducted through Finance. Operational, compliance, or other external audits will be handled by the appropriate administrator or designee.

**Background**

External audits are performed annually, or as required, in order to assess the financial position and systems of the University. As a recipient of federal funds, the University is subject to the Single Audit requirements. There is an annual audit of the University’s financial statements. The Audit and Compliance Committee of the Board of Trustees (BOT) retains the services of an outside Certified Public Accountant (or Firm). The Audit and Compliance Committee reviews and approves the audit program. The Audit and Compliance Committee reviews and accepts the audit reports on behalf of the University. Finance is responsible for the facilitation of the audits.

**Procedure**

1. Finance recommends the Auditor to the Audit and Compliance Committee of the BOT.
2. The Audit and Compliance Committee reviews and approves the audit program.
3. Finance facilitates the audit.
4. Finance approves and recommends the reports to the Audit and Compliance Committee.
5. The Auditor presents the reports to the Audit and Compliance Committee.
6. The Audit and Compliance Committee reviews and accepts the reports.

**Responsibilities**

1. The Audit and Compliance Committee retains and approves the Auditor.
2. Finance facilitates the audit.
3. The Audit and Compliance Committee, or designee, approves and accepts the reports.

**References**

03-02-01
Standard

Finance: Audit Effective Date: August 13, 2010
Previous Date: May 1, 2002

Re: Program Audit

Standard

The University shall maintain appropriate systems and records in support of program or special audit requirements. Financial audits will be conducted through Finance. Program, operational, compliance, or other external audits will be handled by the appropriate administrator or designee.

Background

Program audits are external audits performed as required by external agencies. As a recipient of external funds, the University is subject to various audit requirements. Audit requirements are usually identified in the grant, contract, or agreement documents. The Office of Sponsored Programs (OSP) supports the audit requirements. Finance supports the fiscal areas of audits. The principal investigators, directors, or other appropriate administrative personnel, are responsible for program performance and audits.

Procedure

1. Audit requests are forwarded to the appropriate program or department personnel, OSP, and Finance.
2. The principal investigator or appropriate administrator coordinates the audit activities.
3. Office of Sponsored Programs, or Finance, as appropriate, approves and receives the reports.
4. On issues relating to general, college, or University matters, the appropriate departments and personnel are informed of the audit results.
5. The appropriate administrators respond and resolve audit issues.

Responsibilities

1. Research, OSP, will oversee and coordinate all program audits dealing with external funding.
2. The principal investigator or administrator is responsible for responding to and resolving audit issues.
2. Research Administration, Deans, OSP, Finance, and Administration facilitate and respond to audits within their areas.

References

03-03-01