

IDAHO STATE UNIVERSITY
MANUAL OF ADMINISTRATIVE POLICIES AND PROCEDURES
External Audit Coordination
MAPP 07.A

POLICY INFORMATION

Section Title: Audits

Subject: External Audit Coordination

Responsible Executive: Vice President for Finance and Administration

Responsible Office: Vice President for Finance and Administration

Dates: Issued: Feb 15, 2008 Revised: July 9, 2008 Annual Review: July 9, 2009

I. PURPOSE AND SCOPE

This document establishes guidelines to ensure proper management of all audits, reviews, and investigations undertaken at Idaho State University. This document prescribes guidelines for ensuring appropriate handling of all external audits of Idaho State University and provides guidelines to assist all university departments in meeting their obligation related to external audits to the State of Idaho, governmental agencies, and to other constituencies that may have provided funds for the university's use.

II. POLICY STATEMENT

It is the policy of Idaho State University (ISU) to cooperate fully with external auditors in the performance of their duties. The University requires that external auditors and ISU personnel involved in audits of the University, including affiliated local, state, and federal programs, observe certain procedures to facilitate orderly reviews. The University's Internal Audit Department has been designated as the contact point for all external audits. Therefore, external auditors are required to arrange all initial contacts through Internal Audit. If the initial contact by the external auditors is made with other University personnel, the individual contacted must immediately advise the Director of Internal Audit.

This centralized contact for external auditors will help to ensure that;

- The proper individuals are available to assist the auditors and a functional liaison or point of contact is appointed.
- Relevant records are located and made available.
- Interviews are scheduled to minimize disruption of departmental activities.
- Required facilities and services are available.

III. NOTIFICATION PROCEDURES AND RESPONSIBILITIES

- A. External Auditors - It is required that the external audit organization notify the University of proposed audits in advance. This notification shall be directed to ISU Internal Audit. The notice should indicate the purpose and scope of the audit and the dates of on-site audit work. When an entrance conference is necessary, Internal Audit will make arrangements with appropriate University officials.
- B. Internal Audit – Internal Audit will notify the appropriate ISU department or individual regarding all known aspects of the proposed audit. A representative from Internal Audit, or an appropriate designee, will introduce the auditor to the appropriate University personnel and, in collaboration with the audited ISU organization, identify the audit point of contact.
- C. University Departments - If any University department is contacted directly by an external auditor without prior notification of the proposed audit from ISU Internal Audit, that department will notify Internal Audit.
- D. Audit Entrance Conference - The objectives of an entrance conference (when requested) are to establish the purpose, scope and timing of the audit, the information required by the external auditors, and the nature of physical facilities that may be needed. Entrance conferences are a good communication tool and are encouraged, even for relatively small audits.
- E. On-site Audit Procedures - After the audit commences and until its conclusion, Internal Audit will maintain contact with ISU unit being audited through the point of contact. The purpose of this interaction is to expedite the audit and ensure the auditor receives the required information and coordination.
- F. Exit Conferences - These conferences are designed to provide University representatives with information related to the audit findings and conclusions. They provide the opportunity to clarify possible misunderstandings and identify those issues that need to be resolved. In some circumstances, the University may be asked to make preliminary comments related to specific concerns. In such cases, the external auditors are expected to provide sufficient information to enable the University to review adequately the comments and provide meaningful responses. When audits are of limited scope and a formal exit conference is not practical or justified, the auditors should notify Internal Audit when their field work is complete.
- G. Audit Reports and ISU Responses - Copies of audit report drafts should be sent by the external auditors to the pertinent ISU organizational unit and to Internal Audit. Final audit reports should be sent to the University President, the Vice President for Finance and Administration, and to Internal Audit. Internal Audit will in turn distribute copies to the audited organizational unit, ensure that ISU audit responses are submitted in a timely

manner, and maintain a central file of all audit reports, responses, and related correspondence.

PRESIDENTIAL CERTIFICATION

Approved: Arthur C. Vailas
President, Idaho State University

Date: February 15, 2008