

COLORADO STATE UNIVERSITY-PUEBLO
Financial Procedure Instructions
FPI 1-11

1. **Procedure Title:** Relationships of the University and External Auditors
2. **Procedure Purpose and Effect:** The purpose of this procedure is to communicate the process for University personnel and external auditors in the examination of University financial activities and records. This policy does not apply to audits conducted by CSU-Pueblo Internal Audit.
3. **Application of Procedures:** Not applicable.
4. **Exemptions:** None.
5. **Definitions:** None.
6. **Procedure Statement:**

Designated University personnel will assist external auditors to ensure that their review is conducted in an organized, cost-effective, and timely manner. The University requests that auditors observe certain procedures to facilitate orderly reviews. The procedures are detailed in the following paragraphs:

- A. Auditors are requested to arrange all contacts through the University Audit Liaison Official. The currently designated University Audit Liaison Official is the Controller. The Audit Liaison Official is responsible for all official contact with external auditors.
- B. The Audit Liaison Official may designate one or more Audit Coordinators to facilitate the audit. The Audit Coordinator will act on behalf of the Audit Liaison Official and will function as the primary audit contact, managing the audit activities. Hereinafter, all references to the Audit Liaison Official also apply to the Audit Coordinator(s) when appropriate.
- C. Auditors are assured of full cooperation in arranging contacts with University employees who can facilitate their audit. Advance arrangements will ensure:
 1. That the proper persons are on hand to assist the auditors,
 2. Relevant records are located and made available,
 3. Interviews are scheduled so as to provide minimum disruption of departmental activities, and
 4. Required facilities and services are available.
- D. Notifications
 1. **By auditor** - Notice of proposed audits should be given to the Audit Liaison Official. The notice should indicate the scope and purpose of the audit. When an entrance conference is requested by the auditor, the Audit Liaison Official will make arrangements with appropriate University officials. The audit agency may contact the University Audit Liaison Official at any time
 2. **By departmental personnel** - If any University employee is contacted by an auditor without prior notification from the Audit Liaison Official, the employee should notify the

Controller. This visiting auditor should also be directed to contact the Audit Liaison Official.

3. **By the University Audit Liaison Official** - The University Audit Liaison Official will provide appropriate notification, as applicable, to Sponsored Programs, the appropriate college dean, department head, and principal investigator regarding all known aspects of the upcoming review. The University Audit Liaison Official will accompany the auditors and introduce them to the appropriate University personnel prior to the commencement of the auditors' review.

E. Entrance Conference

The objectives of an entrance conference are to establish the purpose, scope, and timing of the audit; the information required by auditors; and the physical facilities needed. The auditor and the University Audit Liaison Official will decide who should attend the entrance conference.

F. Contact During Ongoing Audits

After the audit commences and until conclusion, the University Audit Liaison Official will maintain contact with the auditor-in-charge. As requested, the University Audit Liaison Official will arrange additional interviews, secure additional required documents, answer questions, arrange for special schedules to be prepared, and supplement interviewee statements. The purpose of maintaining such contact is to expedite the audit and to correct any erroneous information, which may have been given inadvertently.

G. Availability of University Records

1. The auditors will be given access to the CSU-Pueblo Systems so they can attain the appropriate records.
2. The records may also be uploaded to a secure portal provided by the auditors.
3. If only the hard copy is available for the records the following steps should be followed:
 - a. Auditors should request required records from the appropriate supervisor. The supervisor will inform the auditor as to the best place, time, and method of securing records. University personnel will furnish to auditors the records required or assist them in locating the records.
 - b. University personnel will inform auditors where to return records. All re-filing will be done by University personnel.
 - c. Any problems should be referred to the University Audit Liaison Official.

H. Use of University Computer Facilities

There may be instances where the auditors desire the use of University computer resources to facilitate an audit. In such cases, the auditor-in-charge should transmit his or her request through the University Audit Liaison Official describing the need for any system access, programming, system analysis, and computer time in the most specific terms possible. The University Audit Liaison Official will assess the costs and benefits to the University of providing the requested information, resources, or services. The request should be made sufficiently in advance of need so that the University Audit Liaison Official can assess the request and make the necessary arrangements.

I. Availability of Findings and Exit Conferences

The purpose of the exit conference is to inform University representatives of the audit findings, to clarify possible misunderstandings, and to identify the issues that are unresolved. In some circumstances, the University may be asked to make preliminary comments on findings concerning specific transactions. In such cases, auditors are expected to provide sufficient information, including reference to specific policy, to enable the University to adequately review the question(s) and provide a meaningful response. When an audit is of limited scope and a formal exit conference involving several people is not practical or justified, the auditors should notify the University Audit Liaison Official when their fieldwork is complete. Scheduling of exit conferences will be the responsibility of the University Audit Liaison Official.

J. Preliminary Audit Reports and Responses

A copy of preliminary audit report and findings should be sent by the auditors to the University Audit Liaison Official who will then secure comments, coordinate and prepare the University response, and maintain a central file of all audit reports, responses, and related correspondence. All proposed responses prepared by the University Audit Liaison Official will, where necessary, be approved by the Controller and the appropriate department head before inclusion in the report.

7. **Reference and Cross-References:** None.

8. **Form and Tools:** None.