

## **ARIZONA STATE UNIVERSITY PROTOCOL FOR ABOR AUDITS AT ARIZONA STATE UNIVERSITY**

The procedures described below are designed to clarify the Arizona Board of Regents (ABOR) audit process at Arizona State University (ASU) for all participants. Questions should be directed to the Director of ASU University Audit and Advisory Services (University Audit), (480-965-5511), who serves as the University liaison with ABOR Internal Audit.

**Annual Plan:** The ABOR approves each spring an annual audit plan for the three universities for the coming fiscal year. Ideally, this plan is coordinated with the three universities during its development.

**Responsibilities:** The ABOR Internal Audit staff is responsible for the performance of ABOR internal audits in all respects. The Director of University Audit, as liaison, serves as a facilitator for the audit process between the ABOR Internal Audit staff and the ASU community.

**Engagement Letter:** Three weeks before the start of an audit, ABOR Internal Audit sends an engagement letter to the responsible Provost/Vice President, with copies to the other University Officers identified in Column A of Attachment 1, Schedule of Audit Participants. The introductory memorandum will:

- Identify the area/unit to be audited;
- List the preliminary audit objectives;
- Describe the report format; and,
- Inform the recipient that an entrance conference will be scheduled.

**Entrance Conference:** One to two weeks before the audit begins, an entrance conference is scheduled as appropriate. Participants should include the University Officers identified in Column B of Attachment 1, Schedule of Audit Participants. The Dean, or for non-academic areas, the University Officer to whom the Director of the program being audited reports, may include other participants as he or she deems appropriate.

The purpose of the entrance conference is to:

- Introduce the ABOR Internal Audit staff performing the audit;
- Identify the program contact person with whom the ABOR Internal Audit staff will work with in performing the audit;
- Review the preliminary audit plan and provide an understanding of the scope and objectives of the audit;
- Give consideration to changes or additions to the preliminary audit plan suggested by the management of the program being audited; and,
- Establish the timing date of the planning process and the general field work, and the anticipated date of completion.

**Draft Report:** The first draft of the audit report will be provided to the Director of the program being audited and the Director of University Audit as indicated in Column C of Attachment 1, Schedule of Audit Participants. In addition, if the first draft of the audit report includes findings and recommendations affecting operational areas other than the one under review, the Director of each unit affected should be provided a copy of the first draft of the audit report.

The Director(s) is/are responsible for insuring that the report is an accurate reflection of the departments operations. Comments concerning the draft report should be brought to the attention of ABOR Internal Audit within one week of receiving the draft audit report.

A copy of the final draft report will be provided to the University Officers identified in Column D of Attachment 1, Schedule of Audit Participants.

**Exit Conference:** Formal exit conferences are not mandatory, but may be arranged upon the request of the University Officers indicated in Column D of Attachment 1, Schedule of Audit Participants. Requests for exit conferences should be sent either to ABOR Assistant Executive Director for Audit Services or the Director of University Audit.

**Responses and Recommendations:** University responses to recommendations will be prepared by the Director of the program being audited or Director(s) of other programs affected by the audit report, approved by the Dean or University Officer to whom the Director reports, and submitted directly to the Director of University Audit, who will then submit the university responses to ABOR Internal Audit.

Responses are due to ABOR Internal Audit thirty (30) calendar days after issuance of the second draft report (see Column D of Attachment 1, Schedule of Audit Participants). If responses cannot be made within thirty (30) days, the Director, or the Dean or University Officer to whom the Director reports, should contact the ABOR Assistant Executive Director for Audit Services to discuss the delay and to request an extension of time.

In general, responses should state whether or not the recommendations are agreed with, be specific as to what changes will be implemented by the area under review, and provide target completion dates for implementation of the recommendations. The Director of University Audit is available to provide University departments with advice on responses.

The primary contacts for responses to recommendations are the Director of the program being audited and the Dean or University Officer to whom the Director reports.

After the ABOR Internal Auditors have accepted and incorporated the University's responses in the draft report, a copy of the draft report will be provided by ABOR Internal Audit to the University Officers identified in Column E of Attachment 1, Schedule of Audit Participants.

**Review and Approval Conclusion for Audit Engagements:** When the audit report is ready for submission to the ABOR, a Review and Approval Conclusion for Audit Engagements (RAC) letter will be sent by ABOR Internal Audit to the responsible Vice President/Provost through the Director of University Audit. Signing the RAC letter indicates that the audit report has been reviewed and that the University agrees it is ready for submission to the ABOR. The RAC letter should be signed by the responsible Vice President/Provost or designee. The original RAC letter should be returned to ABOR Internal Audit and a photocopy of the RAC letter should be submitted to the Director of University Audit. In addition, if the audit report includes recommendations affecting operational areas other than the one under review, a RAC letter will be sent by ABOR Internal Audit to each area Vice President/Provost affected by the audit report.