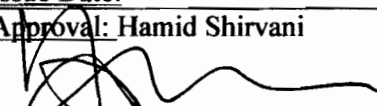


<u>Subject:</u>	<u>Department Name:</u>	<u>Effective Date:</u> July 1, 2011
Audit Policy	Business & Finance	<u>Issue Date:</u>
	New Policy	<u>Approval:</u> Hamid Shirvani 

A. Purpose

The California State University (CSU) and its universities and auxiliaries are subject to a variety of audits including annual and periodic audits in compliance with Government Auditing Standards. The most common audit is a system-wide financial audit in accordance with Generally Accepted Accounting Principles and standards set by the Federal Office of Management & Budget. Each campus performs audit fieldwork directed by an external audit firm engaged by the CSU's Office of the University Auditor (OUA) to collectively report CSU results to the Bureau of State Auditor's annual single audit of the general purpose financial statements included in the State Controller's Office Annual Report to the Governor.

Auxiliary organizations are required by California Education Code, Title V, Section 42408 and Nonprofit Integrity Act of 2004 to have an annual fiscal and internal controls audit performed by certified public accountant selected by the auxiliary organization.

Other external audits may consist of, but are not limited to, those that are requested by the State Controller's Office, the State Department of Finance, the Bureau of State Auditors, the State Board of Equalization, the Internal Revenue Service and granting agencies.

The OUA routinely performs CSU internal audits of specific campus operations based upon an annual risk evaluation. These special area audits entail review of internal controls and operational processes relative to specific programs or projects. The OUA also administers an auxiliary audit program on behalf of the CSU Board of Trustees to provide additional oversight of auxiliary organizations.

The Chancellor, through various Executive Orders, has delegated financial, administrative, and management responsibilities to the President of each campus. Local delegation of the authority and responsibility for centrally managing all aspects of campus audits has been made to the Vice President, Business and Finance in accordance with EO 731 and EO 1000, and his designee the Associate Vice President, Financial Services.

B. Scope of Policy

This policy applies to CSU Stanislaus University and its auxiliaries in relation to all financial and operational audits.

C. Definitions

Auxiliary: Legal and business entities that have been established and organized by the CSU pursuant to the California Education Code, Division 8, Part 55, Chapter 7, Section 89900 et seq. and pursuant to the California Code of Regulations, Title 5, Division 5, Subchapter 6

Campus: California State University, Stanislaus sites, locations and related entities.

Campus Administrator: The person responsible for the organizational unit, department, entity or program to be audited.

Chief Financial Officer (CFO): the CSU Stanislaus Vice President of Business & Finance is the CSU Stanislaus Chief Financial Officer.

University: California State University, Stanislaus

D. Policy

The CSU Stanislaus President delegates to the CSU Stanislaus Chief Financial Officer (CFO) the responsibility for audits, including the central coordinator and control of audit activities on behalf of the university and its related entities. All external campus audit requests should be promptly reported to the Office of the Vice President, Business & Finance for coordination, through the Associate Vice President, Financial Services and staff, with appropriate campus administrators, Chancellor's Office representatives, and external audit agencies. This office is responsible for monitoring and reporting the results of all audits conducted by audit agencies of the University or of any campus, department, operation or fund. Officials and employees of the university and its auxiliaries are required to furnish all financial records, books, papers, contracts, management charts, electronic files and related information necessary for audit.

E. Responsibilities

The Financial Services Office through delegation from the Vice President, Business and Finances, will be responsible for all audits to include:

- Preparation for audit
- Confirming scope of audit
- Establishing / maintaining contact with representative auditor
- Coordinating on-site logistics, arranging audit space, scheduling meetings, etc.
- Collecting / completing Prepared by Client (PBC) information
- Ensuring timely delivery of audit deliverables
- Scheduling entrance and exit conferences'
- Evaluating compliance with policies, laws and regulations relative to audit
- Collaborating with campus administrators responsible for operations related to audit scope
- Gathering management responses to recommendations and preparing audit responses
- Implementing audit recommendations
- Delivery of completed audits to the Vice President, Business & Finance for submission to the reporting transparency website in accordance with Governor's Executive Order S-08-09

F. Laws, State Codes, Regulations and Mandates:

- Policy Mandates
- CSU, Office of the University Auditor, Statement of Purpose and Audit Process
- Executive Order 731, Designation of Chief Financial Officer
- Executive Order 1000, Delegation of Fiscal Authority and Responsibility
- Governor's Executive Order S-08-09