

Augusta University

Policy Library

Third-Party External Audit Policy

Policy Manager: Audit, Compliance, Ethics and Risk Management (ACERM)

POLICY STATEMENT

Augusta University (AU) may engage an external audit/consulting firm and/or may be the subject of an external audit, review or other special engagement. The Office of Audit, Compliance, Ethics, and Risk Management (ACERM) should be notified in advance of any third-party audit engagements. Notification should be provided to ACERM via email or phone at external_audit@augusta.edu or 706-721-0900.

To help ensure that external audit activity is appropriate, ACERM will assist management in evaluating and responding to audit requests.

Augusta University fully cooperates with and assists external auditors. Augusta University will provide external auditors with access to all records that are relevant to the audit, except those deemed to be legally privileged or protected. Availability of records is subject to the University System of Georgia (USG) Board of Regents (BOR) record retention policies, which allow destruction of records within prescribed limits.

APPLICABILITY

This policy applies to:

- AU and all affiliated organizations.
- Audit activity initiated by external agencies (including inquiries, desk audits, information gathering, site visits and audits by federal or state government agencies or other external agencies).
- Any AU initiated examination, audit, investigation, consultation, or review performed by an agency, company, consultant, or other organization or individual outside of the university for the purpose of assessing the effectiveness of operational or financial internal controls, legal or regulatory compliance, information technology and cybersecurity matters, and conformance with contractual obligations.

This policy does not apply to:

- Requests for information related to complaints or freedom of information law (FOIL) received by or forwarded to the university.
- Academic and accreditation reviews.
- Quality assessment reviews performed by peer groups.
- Regularly scheduled clinical trial monitoring visits conducted by industry sponsors.

Office of Legal Affairs Use Only

Executive Sponsor: VP for Audit, Compliance, Ethics and Risk Management

Next Review: 5/2030

AFFECTED STAKEHOLDERS

Indicate all entities and persons within the Enterprise that are affected by this policy:

- ☐ Alumni ☒ Faculty ☐ Graduate Students ☐ Health Professional Students
☒ Staff ☐ Undergraduate Students ☒ Vendors/Contractors ☐ Visitors
☐ Other:

DEFINITIONS

These definitions apply to these terms as they are used in this policy:

External Audit Activity - Independent and objective appraisal, performed by a non-AU entity. These can include, but are not limited to audits, program reviews, examinations, consulting engagements, site visits, desk audits, information gathering, fraud investigations, and field testing.

External Auditor - Any auditor not employed by an AU entity. External auditors may represent BOR, Office of State Comptroller, state or federal agencies, certified public accounting firms, legal firms, or grant sponsors.

PROCESS & PROCEDURES

Duties of Responsible Parties:

Per University System of Georgia (USG) Policy, all workforce members have an affirmative responsibility to notify ACERM of any third-party engagements. Specific responsibilities of responsible parties include:

Employees

- Inform immediate supervisor of presence and/or contact with an external auditing body.
- Be courteous, cooperative, and professional when working with auditors.
- Assist the auditors with specific requests.
- Provide accurate and concise information applicable to the auditor's request. If you are unsure about how certain information may relate to the audit, consult with ACERM leadership.
- Ensure documentation provided to the auditor is properly protected as necessary – If there are any concerns about the request or transmittal of sensitive or protected information, consult with the Chief Audit Officer or AU's Chief Privacy Officer.

. Vice Presidents, Deans, Department Heads, Principal Investigators

- Notify ACERM leadership 1) within 24 hours of notification when an external agency wishes to commence an audit, review, site visit, desk audit, fraud investigation, or conduct field work on campus, 2) prior to the start of fieldwork for annual financial statement audits, or 3) prior to contract execution for any other AU initiated external review covered by the scope of this policy.
- Invite ACERM to attend entrance and exit meetings with the external auditor.
- Coordinate requests for specific information or interviews with employees.

- Ensure that a university representative accompanies external auditors/inspectors on all visits, interviews, or meetings with faculty and/or staff, including walk-throughs of university buildings and space.
- Seek ACERM input on all official university responses to findings contained in audit reports prior to submission to an external agency.
- Ensure ACERM leadership receives a copy of all management letters and final audit reports.
- Implement agreed-upon audit recommendations in a timely manner.

ACERM Leadership

- Evaluate external agency audit requests and advise management on response.
- Monitor all external audit activity.
- Designate an ACERM representative to participate in entrance and exit conferences as warranted, depending on the scope and impact of the proposed audit activity.
- Review and advise on all official university responses to findings contained in audit reports prior to submission to the external agency.
- Monitor the implementation status of material and significant audit recommendations.
- Escalation of failed corrective action plans.

Unannounced Visits or Calls to Workplace or Home

If an auditor, inspector or federal agent arrives unannounced at a university faculty or staff member's home or calls and requests to speak to him/her immediately regarding university business, the university faculty or staff member has the right to speak to the auditor/inspector/federal agent but is not required to do so. University personnel have the right to decline to speak to an auditor/inspector/federal agent or to postpone the interview until they have had an opportunity to seek guidance from the university's General Counsel or their own legal counsel.

If an auditor, inspector or federal agent arrives unannounced at a university office or facility and requests to speak him/her immediately, the university faculty or staff member with authority over that area should ask the auditor/inspector/federal agent to wait in a comfortable public or secure location and should postpone any substantive interview until university personnel have had an opportunity to seek guidance from the University Compliance Office, and the university's Office of General Counsel.

Anyone receiving an unannounced contact or visit should obtain as much information as possible from the auditor, inspector or federal agent, such as their names, agency or other affiliation and the intent of the audit and promptly contact the offices listed in the above two points for guidance on next steps.

Auditors, inspectors and federal agents should always be treated respectfully, but should not be given access to university documents, personnel or facilities until guidance is received.

REFERENCES & SUPPORTING DOCUMENTS

Audit, Compliance, Ethics and Risk Management (ACERM)

Health Sciences Campus, HS-3135

1120 15th Street

Augusta, GA 30912

Internal_audit@augusta.edu

(706) 721-2661

RELATED POLICIES

USG Policy on Third-Party Audits:

https://www.usg.edu/business_procedures_manual/section16/C1501/#p16_2_2_third_party_engagements

APPROVED BY:

Interim Executive Vice President for Academic Affairs and Provost, Augusta University

Date: 6/4/2025

President, Augusta University

Date: 6/4/2025