

External Auditors

601.37

Policy Content:

I. Background / Definition

Because of the diverse and complex nature of the university's business, external audits are often conducted at various levels within the institution. External auditors are from outside the University instead of U-M's own Audits Department. External auditors may include:

- The public accounting firm appointed by the Regents for the university's annual financial statements
- The state auditor general and auditors from other state agencies such as the sales tax auditors
- Auditors from federal agencies such as Department of Health and Human Services (DH&HS), Defense Contract Audit Agency (DCAA), Social Security Administration, etc.
- Auditors representing contractors, foundations or other private organizations, such as Ford Motor Company, the W.K. Kellogg Foundation, Blue Cross Blue Shield of Michigan, etc.

II. Policy

Questions about an external audit's authenticity, scope of review, propriety of information requested, or other questions regarding the general audit process can be directed to University Audits. Once determined that an external audit should proceed, university units should make available all appropriate information requested and facilitate the auditor's work by all reasonable means.

It is the responsibility of the university unit to ensure appropriate corrective measures are implemented based on the findings identified in the external audit report. Units should provide copies of all external audit reports to University Audits so it can help in proactively minimizing future risk across the university by:

- Sharing identified findings with other areas across the institution where applicable
- Recording / tracking findings to identify trends, common themes, or causal factors across audits
- Leveraging past audit results to satisfy new external audits where possible and in the development of future internal audit plans

University Audits can be contacted at (734) 647-7500 or at University-Audits@umich.edu.

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