

# Standard Practice Guide Policies

## External Auditors and Audit Reports

601.37

**Applies to:** All Departments of the University of Michigan

### 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 Audit Department. External auditors may include:

1. The public accounting firm appointed by the Regents for the university's annual financial statements
2. The state auditor general and auditors from other state agencies such as the sales tax auditors
3. Auditors from federal agencies such as Department of Health and Human Services (DH&HS), Defense Contract Audit Agency (DCAA), Social Security Administration, etc.
4. 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 Audit Services. 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 Audit Services so it can help in proactively minimizing future risk across the university by:

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

Audit Services can be contacted at (734) 647-7500 or at [Audit-Services@umich.edu](mailto:Audit-Services@umich.edu) (<mailto:Audit-Services@umich.edu>).

### File Attachments

Printable PDF of SPG 601.37, External Auditors and Audit Reports (</sites/default/files/policies/601x37%20External%20Auditors%20and%20Audit%20Reports%20Standard%20Practice%20Guides%20-%20University%20of%20Michigan.pdf>)

**SPG Number:**

601.37

**Applies To:**

All Departments of the University of Michigan

**Date Issued:**

July 20, 2015

**Owner:**

The Office of the Executive Vice President and Chief Financial Officer

**Last Updated:**

July 20, 2015

**Primary Contact:**

Audit Services

**Next Review Date:**

July 20, 2020

**Hard copies of this document are considered uncontrolled. If you have a printed version, please refer to the University SPG website ([spg.umich.edu](http://spg.umich.edu)) for the official, most recent version.**

© 2023 The Regents of the University of Michigan