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Responsible University Office:

Vice Chancellor for Business and Finance

Responsible University Administrator:

Vice Chancellor for Business and Finance

Policy Contact:

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Audits, Reviews and Investigations by Third Parties

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Scope

Individual departments, administrative support areas or members of faculty or staff who receive notification of a third party audit or review by non-university auditors or reviewers should follow this policy to ensure that these requests are (1) approved by the Vice Chancellor for Business and Finance before granting access to university documents, personnel or facilities and (2) to ensure that the results of the engagement are properly reported to the Board of Regents Audit, Risk and Compliance Committee (3) that management actions are documented and have been effectively implemented or that management has accepted and documented the risk of not taking action.

Policy Statement

The Vice Chancellor for Business and Finance should be notified prior to any audits, reviews and investigations conducted by third parties. Information or access to any University area should not be granted until approval is received from the Vice Chancellor for Business and Finance.

Reason for Policy

The policy provides guidance to University personnel whose area is the subject of a third-party review, and to establish procedures for an orderly response that protects the interests of UNK and provides for appropriate cooperation.

This policy does NOT apply to audits where the Board of Regents Audit, Risk and Compliance Committee hire the external auditors.

Examples of third-party reviews that are subject to this policy include, but are not limited to the following:

- Revenue or expenditure testing by grant pass-through agencies such as the Mine Safety and Health Administration or the Nebraska Business Development Center;
- Requests for Information from the Office of Civil Rights regarding a filed complaint;
- Department of Homeland Security Site Visit;
- Internal Revenue Service requests;
- Law enforcement visits, including local, federal and state investigators;

Internal Audit and Advisory Services is required to submit a quarterly report of Fraud Issues, APA and Third Party Audits to the Board of Regents Audit, Risk and Compliance Committee notifying them of the results of reviews conducted for the period.

Procedures

Notification Guidelines

It is the practice of UNK to reasonably cooperate with all legitimate and appropriate inquiries from government authorities and other external agencies.

Third-party reviewers are generally expected to contact the appropriate university management to announce audits or reviews, or to request information. However, initial notifications by auditors or reviewers may be received by individual departments, administrative support areas or members of faculty or staff. It is also possible that reviewers or examiners may arrive unannounced. In this situation, a university faculty or staff member with authority over the area contacted should ask the auditor/reviewer to wait in a comfortable and secure location until the Vice Chancellor for Business and Finance or the Director of Internal Audit can be contacted.

Auditors and other reviewers should be treated respectfully at all times, but should not be given access to university documents, personnel or facilities until appropriate approval has been received.

Any contact by a third-party reviewer, whether by email, engagement letter, telephone, personal visit or other method, should be reported to the Vice Chancellor for Business and Finance. Copies of written documentation received by faculty, staff or administrative personnel either announcing a visit or requesting information should also be promptly forwarded to the Vice Chancellor for Business and Finance so that they are aware of the type of third-party review that is being conducted.

All requests for information should be submitted in writing to the department chair or director and must include the date the information is needed. If the request is informal, the auditor/reviewer may call their university contact; however, the university may still require the request be submitted in writing to determine the legitimacy of the request.

The Vice Chancellor for Business and Finance shall provide a copy of all audit reports to the Internal Audit and Advisory Services for quarterly reporting to the Audit Risk and Compliance Committee.

Pre/Post-Notification Protocol

The Vice Chancellor for Business and Finance (or their representative) is required to be a part of any entrance and exit meetings for any third-party review for the following purposes:

- 1) Knowledge of what will be examined and why;
- 2) UNK may need to act to protect personal health and financial information, institutional or third party proprietary information, or other individual or institutional interests;
- 3) To ensure that any potential findings and reportable items are communicated to UNK prior to the issuance of any related report;
- 4) Knowledge of the process to dispute any items identified in report issued.
- 5) This type of third-party review and its results are required to be reported quarterly to The Board of Regents Audit, Risk and Compliance Committee.

A university representative should generally accompany the third-party reviewer on visits, interviews, or meetings with faculty and/or staff, including walk-throughs of university buildings and space. The auditors/inspectors shall contact a university official to facilitate this process. The university may also require that a representative from the appropriate Vice Chancellor and/or the Director of Internal Audit attend any of the visits, interviews or meetings as deemed necessary.

Final Disposition or Reports

A copy of any email indicating a review is complete, closing letter or report generated by a third-party review must be forwarded to the Vice Chancellor for Business and Finance as well as Internal Audit and Advisory Services. Allegations and a summary of the outcome will be provided to the respondent(s).

Definitions

Third-Party Review – inquiries, information gathering, requests for information, inspections, audits, desk audits, site visits and other reviews conducted by federal regulatory agencies, state government agencies, or other third parties.

Additional Contacts

Subject	Contact	Phone	Email
VCBF	Jon Watts	308-865-8205	wattsjc@unk.edu
Internal Audit	Kayla James	308-865-8222	kjames@nebraska.edu

Forms

N/A

Related Information

N/A

History

Replaces current policy dated August 1, 2016.