

NUMBER: FINA 3.21 (NEW)

SECTION: Administration and Finance

SUBJECT: External Audit Policy for Grant Transactions and Activities (Restricted Accounts)

DATE: February 5, 2016

Policy for: All Campuses

Procedure for: All Campuses

Authorized by: Vice President for Finance and Chief Financial Officer

Issued by: University Finance – Controller’s Office

A. Policy Statement

The University of South Carolina fully cooperates with external audits and assists external auditors whose responsibilities include review and confirmation of university grant transactions and activities.

B. Definitions

External Audit – an appraisal of the University’s grant transactions or activities performed by an external auditor engaged by an external entity or sponsor. Audits applicable to this policy also include reviews, site visits, desk audits, inquiries and investigations.

External Auditor – an auditor not employed by the University. External auditors may represent state agencies/entities, federal agencies, certified public accounting firms, legal firms, and grant sponsors.

C. Procedures

1. All requests and inquiries from external auditors must be forwarded to the Director of Contract and Grant Accounting.
2. The Director of Contract and Grant Accounting, or designee, will coordinate the following steps of the external audit process:
 - a. Notification Letter including the scope of the review
 - b. Entrance conference
 - c. Fieldwork
 - d. Draft report
 - e. University’s Response to the report
 - f. Exit conference

The coordination of external audit activities assures an understanding of the objectives and scope of the audit, assists the auditors in achieving their objectives, and assists university personnel in responding to auditor requests.

3. The Office of Contract and Grant Accounting will coordinate the collection of all the relevant records for the audit, review of such records, and providing records to the external auditors in a timely manner.
4. Contract and Grant Accounting will coordinate with and inform management of the results of all external audits, as well as the submission of audit responses and implementation of audit recommendations.