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| Regulatory Exam and External Audit Protocol |
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Table of Contents

[1.0 Purpose 3](#_Toc253665325)

[2.0 Schedule 3](#_Toc253665326)

[2.1 Requests for Audit 3](#_Toc253665327)

[2.2 Entrance Conference 3](#_Toc253665328)

[2.3 Changes to Schedule 4](#_Toc253665329)

[3.0 Information Requests 4](#_Toc253665330)

[3.1 Information Preparation 4](#_Toc253665331)

[3.2 Requests in Writing 4](#_Toc253665332)

[3.3 On-site requests 4](#_Toc253665333)

[3.4 Interviews 4](#_Toc253665334)

[3.5 Findings 4](#_Toc253665335)

[4.0 Exit Conference 5](#_Toc253665336)

[5.0 Contact information 5](#_Toc253665337)

# 1.0 Purpose

This document is intended to establish general guidelines for any agency, individual or audit firm performing an audit or regulatory exam at CU\*Answers. This protocol is intended to:

* Streamline the audit process
* Ensure that all appropriate individuals are involved from the outset of the audit/review
* Reduce the overall time associated with the process
* Assure that any audit findings are based on correct information

If any procedures outlined below result in significant burden on behalf of any department being reviewed or on the external audit firm or agency, the Internal Audit department will work with the department or auditor to modify this protocol as necessary.

# 2.0 Schedule

2.1 Requests for Audit

Requests for audits should be made in advance to the Internal Audit department of CU\*Answers. Advance arrangements ensure that the appropriate individuals are available to assist the external auditors, relevant records are located and available, any interviews are scheduled to provide minimum disruption of departmental activities, and required facilities and services are available.

### 2.2 Entrance Conference

The Internal Auditor or designated representative will schedule an entrance conference with the external auditing team. The entrance conference may be held by a teleconference if all affected parties agree. All parties must be aware that the meeting and subsequent discussion is intended as an entrance conference. During the entrance conference, CU\*Answers requests that the external auditors provide the following information:

* Scope of audit
* Timing of the audit, including estimated start and completion dates
* Deliverables and reports
* Requesting agency or individual as applicable
* External audit team personnel, including designation of an audit lead, contact information and work schedules of onsite visits
* Processes to allow the CU\*Answers audit team the opportunity to review and comment on the deliverables and reports, including any draft findings and the final audit report

As appropriate, weekly status calls and/or meetings may be requested and scheduled. Written track will be kept of all follow-up items, and these items will be reviewed at the next meeting.

### 2.3 Changes to Schedule

The Internal Auditor shall be informed as soon as possible of any known changes in audit timelines, deadlines or changes in scope, external audit team personnel, contact information or other pertinent or important information.

# 3.0 Information Requests

### 3.1 Information Preparation

All anticipated material and interview requests should be made at least 30 days prior to the audit start date. Information in these requests will be prepared and provided to the external auditors by the audit start date. Interviews will be scheduled by the Internal Auditor.

### 3.2 Requests in Writing

All requests for information must be in writing, including the requested return date of the information. If the request for information is considered informal, the external auditor may contact the Internal Auditor, but the request must be followed up in writing. The Internal Auditor will inform the external auditors if the audit requests cannot be reasonably accommodated in the requested time and provide an estimated deliverable date.

### 3.3 On-site requests

Information requests made on‐site may take more than one day, depending upon the information requested. CU\*Answers will make every reasonable effort to provide information in an efficient manner to external auditors. CU\*Answers requests a minimum of 48 hours to respond to and provide large data and information files to on‐site external auditors.

### 3.4 Interviews

An Internal Audit team member and appropriate personnel will accompany external auditors on all visits with CU\*Answers staff. This includes walk through visits of any CU\*Answers facility. Internal Audit team members may take notes and request follow-up meetings for clarification.

### 3.5 Findings

Potential findings shall be communicated to the Internal Audit lead as soon as possible. CU\*Answers shall have a minimum of thirty days to prepare and offer rebuttal to any potential findings.

If any external auditor experiences a delay, lack of responsiveness, or an item of concern from CU\*Answers personnel, the external auditor shall inform the Internal Audit team of the issue immediately. The Internal Audit team shall make every reasonable effort to assist in the resolution of the problem.

# 4.0 Exit Conference

Upon notification from the auditors that the onsite audit has been completed, Internal Audit will schedule an exit conference. The exit conference may be held via telephone, teleconference or in person, as long as mutually agreed upon by all affected parties. The external auditors will not introduce any new findings or information at the exit conference. As long as proper protocol is followed, all issues, findings, information, and concerns will have been provided and discussed prior to the exit interview.

The external auditors shall provide written documentation of potential findings to Internal Audit. A mutually agreed upon response time shall be discussed during the exit interview or subsequent communication between auditors and CU\*Answers.

# 5.0 Contact information

If there are any questions related to the protocols outlined in this document, please contact the Internal Auditor at (616) 285-5711 x335.

Adoption, March 25, 2010