



## SAN DIEGO COMMUNITY COLLEGE DISTRICT

### Administrative Procedure

### CHAPTER 6 – BUSINESS AND FINANCIAL SERVICES

#### AP 6400.1 Audits

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Office(s) of Primary Responsibility:

Vice Chancellor, Business Services  
Controller

A. Purpose/Scope

The purpose of this procedure is to implement provisions of Board Policy 6400 Audits. This procedure prescribes guidelines for ensuring appropriate handling of all external audits of the District and provides guidelines to assist all District departments in meeting their obligation related to external audits of the district.

B. Management Responsibilities

The District's Internal Audit Department has been designated as the contact point for all external audits. Therefore external audit entities are required to arrange all initial contacts through Internal Audit.

If the initial contact by the external auditors is made with other District personnel, the individual contacted must immediately advise the Internal Audit Department.

This centralized contact for external audits will help to ensure that the proper individuals are available to assist the auditors and that a functional liaison as point of contact is appointed.

C. Notification Procedures and Responsibilities

External Auditors – It is required that the external audit organization notify the District of proposed audits in advance. This notification shall be directed to District Internal Audit. The notice should indicate the purpose and scope of the audit and the dates of on-site audit work. When an entrance conference is necessary, Internal Audit will make arrangements with the appropriate District officials.

Internal Audit – Internal Audit will notify the appropriate District department or individual regarding all known aspects of the proposed audit. A representative from Internal Audit or an appropriate designee, will introduce the auditor to the appropriate District personnel, and in collaboration with the audited District organization, identify the audit point of contact.

District Departments – If any District department is contacted directly by an external auditor, and there has been no prior notification of the proposed audit from District Internal Audit, that department will notify Internal Audit.

Audit Entrance Conference – The objectives of an entrance conference (when requested) are to establish the purpose, scope and timing of the audit, the information required by the external auditors, and the nature of physical facilities that may be needed. Entrance conferences are a good communication tool and are encouraged, even for relatively small audits.

On-site Audit Procedures – After the audit commences, and until its conclusion, Internal Audit will maintain contact with the District unit being audited. The purpose of this interaction is to expedite the audit and ensure the auditor receives the required information and coordination.

Exit Conferences – These conferences are designed to provide District representatives with information related to the audit findings and conclusions. They provide the opportunity to clarify possible misunderstandings and identify those issues that need to be resolved. In some circumstances, the District may be asked to make preliminary comments related to specific concerns. In such cases, the external auditors are expected to provide sufficient information to enable the District to review adequately the comments and provide meaningful responses. When audits are of limited scope and a formal exit conference is not practical or justified, the auditors should notify Internal Audit when their field work is complete.

Audit Reports and District Responses – Copies of audit report drafts should be sent by the external auditors to the District Internal Audit. Final audit reports should be sent to the Chancellor, Vice Chancellor and to Internal Audit. Internal Audit will in turn distribute copies to the audited organizational unit, ensure that District audit responses are submitted in a timely manner, and maintain a central file of all audit reports, responses, and related correspondence.

References: BP 6400  
Education Code Sections 84040(b)

Approved by Chancellor:

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Date

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Constance M. Carroll, Ph.D.

Reviewed by Cabinet on 9-22-09 and approved by concurrence.