

Policies and Procedures

SECTION: Financial	NO. 3.1.14.			
CHAPTER: General	ISSUED: 9/20/06	<i>REV. A</i>	<i>REV. B</i>	<i>REV. C</i>
POLICY: Independent External Audits	PAGE 1 OF 1			

PURPOSE

To assure the accuracy of the Creighton University's annual financial reports and enhance internal controls, the University will engage an external audit firm to perform an audit of the year-end financial reports. Consistent with best practices related to the independence and effectiveness of external auditors, the University requires that the external audit firm report directly to the Audit Committee of the Board of Directors.

POLICY /PROCEDURES

1. An audit of the University financial statements is required annually.
2. The external audit firm must be approved by the Audit Committee.
3. The audit engagement letter must be signed by the University's Chief Financial Officer and the Audit Committee.
4. All services provided to the University by the external audit firm must be approved in advance by the Audit Committee.
5. The performance of the external audit firm must be evaluated by the Audit Committee. This evaluation should include consideration of the timeliness of the services and deliverables, accuracy of the audit and value for the cost of the services.
6. The external audit firm must discuss with the Audit Committee any material issues related to deficiencies in University internal control, any issues related to fraud or embezzlement, or any material issues related to questionable accounting practices discovered during the audit.
7. The external audit firm must present the summary schedule of unadjusted differences discovered during the audit to the Audit Committee.
8. The lead engagement partner of the external audit firm must rotate off the University engagement at least every seven years, with a timeout of 2 years.

SCOPE

This policy applies to all organizations and divisions within the Creighton University corporate structure.

AMENDMENTS AND TERMINATION OF THIS POLICY

The University reserves the right to modify, amend or terminate this policy at any time.