

Policies and Procedures

SECTION: Financial	NO. 3.1.15.			
CHAPTER: General	ISSUED: 9/20/06	<i>REV. A</i>	<i>REV. B</i>	<i>REV. C</i>
POLICY: University Employment of Former External Audit Firm Employees	<i>PAGE 1 OF 1</i>			

PURPOSE

Consistent with best practices related to the independence and effectiveness of external audits, Creighton University requires a careful consideration of the benefits and risks of employing a Chief Financial Officer (CFO) or controller who has worked for the University's current external audit firm within the preceding year, and consider how the position may affect the University's external audit.

POLICY /PROCEDURES

In order to assure independence (both perceived and actual) of the University external auditors, any decision to hire a CFO or controller who was employed by the University's external auditors within the preceding year must be weighed as to the associated benefits and risks.

Potential benefits to be considered:

- The individual's familiarity with University financial environment and practices.
- The individual's training and familiarity with generally accepted accounting principles and other accounting rules and standards.

Potential risks to be considered:

- Possible allegiances (or alienation) between the employee and the external audit firm management.
- Possible bias in selecting future external audit firms.
- Actual or perceived conflict of interest.

In all cases, approval of the Audit Committee is required prior to hiring a CFO/controller who has worked for the University's external audit firm within the preceding year.

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.