Stanford University Memorandum

Internal Audit Department — 651 Serra Building, Room 290; Mail Code 6212
650/725-0074 FAX 650/725-0073

Date: June 1, 2010

To: Stanford University Community

From: Rick Moyer, Associate Vice President, Internal Audit and Institutional Compliance

Subject: Stanford University Procedures for Supplying Information and Documents to Government and Other External Auditors or Inspectors – External Protocol

BASIC PRINCIPLE:

Stanford is subject to numerous regulations and contract provisions which convey to government agencies and private sponsors the right to audit the University’s books and inspect our facilities and operations. Stanford is committed to fully comply with its obligations in connection with such audit and inspection rights. On a reasonably timely basis, Stanford will provide external auditors and inspectors (hereafter “External Agents”) with access to all documents and data to which they are entitled, except those deemed by the University to be legally privileged or protected.

EXTERNAL REVIEW PROTOCOL:

Opening Conference:

Internal Audit staff, or University Management in coordination with Internal Audit, will set up an Opening Conference, at which will be discussed the goals, scope, and timing for the planned engagement. All relevant personnel will be invited. After an understanding has been reached as to the scope of the proposed review, and presuming it is deemed by Internal Audit to be relevant, the External Agents may initiate activities to seek information and documents from Stanford personnel. Any subsequent changes in scope must be discussed with Internal Audit and other relevant personnel before any additional information is provided to the External Agent.

Procedures for supplying information to DCAA and other Agents:

*Electronically maintained accounting information*

The Defense Contract Audit Agency (DCAA), Stanford's cognizant federal audit agency, has been provided with on-line access to relevant University accounting and sponsored projects records, including ReportMart and SPIDERS. DCAA (and other government auditors, in cooperation with DCAA and with notification to the Internal Audit Department) may access these data freely for the purposes of audit engagements that have gone through the appropriate
opening procedures. Internal Audit has also agreed to provide government auditors with immediate access to accounting data at the transaction level upon receipt of a written request containing detailed specifications for the data desired. DCAA has SUNet access through which DCAA and other government auditors may freely access the most up-to-date versions of University policy and procedure documents. DCAA and other government auditors, in cooperation with DCAA, may access these documents freely.

Other published University documents
Stanford will provide all External Agents with copies of all published (i.e., available to the general public) University documents upon verbal request. The Internal Audit Department will also endeavor to provide them with hard copies of important published University reports that are not available on-line in a timely fashion. No records need to be maintained of these contacts.

Unpublished University documents
Stanford will provide External Agents with copies of all relevant unpublished University documents, except those deemed by the University to be legally privileged or protected. Questions about whether a particular document (including special data analyses) might be deemed to be privileged or protected should be directed to the General Counsel’s Office at 723-9611 before the information is provided. Written requests for copies of unpublished documents or special analyses, noting needed delivery date, should be provided to Stanford personnel. If the requested date cannot be accommodated, Internal Audit will immediately notify the requestor when the needed information can be supplied. Copies of requested documents or analyses that are supplied to government auditors will generally be retained at Internal Audit, and copies of such documents will be provided to the Office of Research Administration or other University offices, where desired.

Interviews
External Agents may interview University personnel in connection with any reviews that have gone through the protocol described above. Internal Audit staff will set up these interviews upon request. (In the case of audit procedures or inspections that require random selection of interviewees, or surprise visits, Internal Audit will arrange access to selected administrative units but will not notify selected interviewees in advance.) It will not normally be necessary for Internal Audit personnel to be present at such interviews, although they may attend to facilitate information flow. University personnel should keep notes on and copies of information they provide to External Agents during interviews.

Closing Conference:

At the conclusion of the review, Internal Audit staff, or University Management in coordination with Internal Audit, will set up a Closing Conference, at which will be discussed the results of the engagement, the protocol for responses to observations and issuance of a final report, and any required follow-up. All relevant personnel will be invited.
RESPONSIBLE OFFICE:

The Internal Audit Department is responsible for these procedures, in collaboration with the Office of the General Counsel.

Stanford Internal Audit Department
Contacts for Questions Regarding External Audits or Inspections

For All University Offices:            Marsha Murphy     (650) 723-2315
                                      Cell Phone       (714) 906-5869
Backup to the Above:                  Doris Fung         (650) 723-1990
                                      Cell Phone       (650) 701-5004
For Stanford Linear Accelerator Center (SLAC)  Sandy Warmins""""ki (650) 724-7980
                                      SLAC            (650) 926-3020
                                      Cell Phone       (916) 752-2864
Internal Audit Departmental General Contact:  Tracy Holt        (650) 725-0074

Stanford Office of the General Counsel
Contacts for Questions Regarding External Audits or Inspections

For All University Offices:            (650) 723-9611
Backup to the Above:                  (650) 725-7655