

BURRELL COLLEGE OF OSTEOPATHIC MEDICINE

STANDARD OPERATING PROCEDURES

Annual Audit Procedures		SOP #: FIN.002.03
Effective Date	8/8/18	
Last Revision/Review	11/16/21, 4/28/23, 7/1/23	

1. Purpose

To ensure that an annual audited financial report and all required compliance and program-specific audits related to federal or state funds are obtained and disseminated in accordance with all external requirements, including those of the federal and state government, the BCOM Investment Partners operating agreement and governing Board of Trustees Bylaws, and the current debt indenture.

2. Related Policy/Authority

The College is subject to financial and compliance audits by various external parties. External audits include the annual financial and compliance audit by the College's appointed external auditors, and separate financial and compliance audits by various federal, state, and local governments and agencies, which may include program-specific audits of sponsored programs. The Board delegates through the President to the Vice President of Administration/Chief Financial Officer the responsibility for coordination of compliance with all external financial and compliance audit requirements which may arise related to any source of College funding, including the general requirements of the U. S. Department of Education and of the New Mexico Post-Secondary Institution Act, and the sponsors of any sponsored project funding received by the College. The audit will include the Schedule of Expenditure of Federal Awards, if applicable.

Policy B3020: The Board requires under this policy that an annual external financial audit be conducted.

3. Faculty/Staff Responsibilities

Vice President of Administration/CFO is responsible to ensure that the Board selects an independent audit firm in a time frame allowing BCOM to meet all reporting and distribution requirements and is ultimately responsible to represent BCOM executive management to the independent auditors and external stakeholders in all matters regarding the audited annual report.

The Controller is responsible for the underlying system of books and records, and the preparation of the underlying financial reports, which are subject to audit; the VP of Administration/CFO is responsible for the review of the work of the Controller, and the preparation of certain components of the annual report. The Controller is responsible for the management of the annual audit on a day-to-day basis, including meeting all deadlines assigned to BCOM as the audit client, and dissemination of all audit reports to internal and external parties in compliance with all requirements. The VP of Administration/CFO is responsible for continuing disclosure under the debt indenture which is included in the annual report.

Responsibilities are the same for required quarterly financial reporting which is not subject to audit.

The Director of Accreditation will distribute audited annual report to all licensing and accrediting bodies.

4. Definitions/Abbreviations

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Independent audit firm: A firm that meets all criteria required by the State of New Mexico and the Federal government to be considered for that role.

5. Procedural Steps

1. The Vice President of Administration/Chief Financial Officer shall be responsible for solicitation of bids for external financial audit services at least once every five years; under the direction of the President or the Board, bids may be solicited as frequently as annually.
2. The Vice President shall review the bids with the Audit, Budget and Compliance Committee of the Board of Trustees, who shall develop or cause to be developed specific selection criteria and who shall make the final selection recommendation to the full Board. The Board will appoint or re-appoint the external auditor annually; selection of the auditor should be approved no later than the April Board meeting of each year.
3. The Vice President and Controller will meet with the audit firm no later than May to plan the audit calendar and agree upon work papers and forms to be prepared by the client BCOM.
4. The external audit firm shall meet with the Audit, Budget and Compliance Committee of the Board of Trustees at least annually, at the end of the audit, and at any other time at the request of the Committee; the external audit firm will present the results of the annual audit to the Committee, and the Committee Chair will present the results to the full Board of Trustees.
5. The Vice President will take steps to ensure that the audit will be completed within the timeframe and in accordance with all other requirements established by external stakeholders and regulatory agencies, including those established in the operating agreement of the BCOM Investment Partners, LLC, the federal and state government, the accrediting body, and the debt indentures.
6. The Controller will distribute the audited annual report within established deadlines to all BCOM Investment Partners Members, all Board members, the debt Trustee, and internal distribution lists which may be established under the direction of the President from time to time.

6. Reports/Charts/Forms/Attachments/Cross References

N/A

7. Maintenance

Office of the Controller; updated whenever an external reporting requirement is added or changed.

8. Signature

Approved by

VP Administration/CFO

8/28/2023

Date

9. Distribution List

Internal/External

10. Revision History

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Revision Date	Subsection #	Summary of Changes	New/Cancellation/Replacement Procedure? (if applicable)	Approval Date
11.16.2021	5	Updated references to policy numbers and Committee/position titles; item 4 under Procedural steps updated to reflect the role of the Committee Chair		11.30.2021
4.28.23		Updated titles and grammar/style corrections		4.28.23