

**Minutes of the Meeting
of the
Oakland University Board of Trustees
Audit Committee Meeting
April 26, 2017**

Present: Chair Ronald E. Robinson; Trustee Melissa Stolicker (via Teleconference), and Trustee Mark E. Schlüssel (via Teleconference)

Also Present: President George W. Hynd; Senior Vice President for Academic Affairs and Provost James P. Lentini; Vice President for Finance and Administration and Treasurer to the Board of Trustees John W. Beaghan; Vice President for Legal Affairs, General Counsel and Secretary to the Board of Trustees Victor A. Zambardi; and Student Liaisons Elizabeth J. Iwanski and Annie M. Meinberg

Also Present: External Auditors Paul Edwards and Dana Coomes, Plante Moran; and Director of Internal Audit David Vartanian

A. Call to Order

Chair Ronald E. Robinson called the meeting to order at 2:31 p.m. in the Auditorium of Elliott Hall of Business and Information Technology.

B. New Items for Consideration

1. Approval of Minutes of the Audit Committee Meeting of October 4, 2016

Trustee Robinson, seconded by Trustee Stolicker, moved approval of the Minutes of the Audit Committee Meeting of October 4, 2016 and the motion was unanimously approved by those present.

2. FY2017 Financial Statement Audit Scope

Mr. Paul Edwards and Ms. Dana Coomes of Plante Moran presented the plan and scope of the financial statement audit for the University for the year ended June 30, 2017. Mr. Edwards indicated that they are early on in the planning stages of the engagement but have outlined a preliminary plan and scope for the engagement. In a letter presented to the Audit Committee. At the end of the audit there will be a more formal presentation of the results and findings.

Ms. Coomes indicated that they met with management in March to discuss the plan and understand the activities at the University this year and the financial

results to date and what to expect which helps them from a risk assessment standpoint. As part of the transition from the prior CPA's, they reviewed the prior firm's work papers, which are required under the accounting standards, and have asked them some questions as a result of their review. They are in the process of communicating back and forth with them relative to those issues.

In response to a question from Trustee Robinson, Ms. Coomes indicated that, to date, there has been no issues with the transition from the prior firm.

They set a timeline for interim procedures, which will happen in the latter part of May and early June to which they will use to understand the internal controls at the University, to set the risk assessment, and then set their substantive procedures which should be completed in mid-August. They have provided an engagement letter that includes their responsibility as auditors to opine on the financial statements, to show that those are materially stated under generally accepted accounting principles. It is also noted in the letter that there is a GAO requirement because of the single audit and the federal awards that the University receives. As a result, they will be doing a single audit, specifically on student financial aid this year, which has historically happened at the University as well.

There is a concept of materiality in their work such that they will focus on the things that are more significant in nature like investments, property and equipment. The higher risks areas that they have identified include investments given the volume of the investments. They plan to do some testing of the valuation of investments and testing around student accounts receivable. They will also be looking at interest rate swaps.

Because of the compliance requirements around student financial aid, they will do a significant amount of detailed testing around federal grants.

In response to a question from Trustee Stolicker, Ms. Coomes indicated that there have been no surprises in the prior auditor works papers, only some differences in audit approach.

In response to a question from Trustee Schlusser, Mr. Edwards indicated that if Plante Moran were engaged by the University for entries risk management issues, it would not impair their independence regarding the audit. He further indicated that he could arrange an introduction call directly with their enterprise risk management team who can provide more detail on what they offer.

In response to a question from Trustee Robinson, Ms. Coomes indicated that there were not significant differences in audit scope from the prior firm, just differences such as in the investment area. The prior firm would have done a more analytic approach versus price testing.

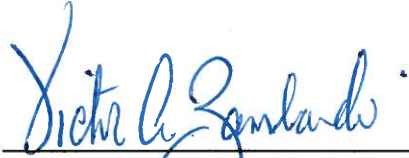
In response to a question from Trustee Robinson, Mr. Beaghan indicated that his office has looked at the scope and are in agreement with it.

C. Adjournment

The meeting adjourned into closed session at 2:52 p.m.

Respectfully submitted,

Approved,



Victor A. Zambardi
Vice President for Legal Affairs,
General Counsel and
Secretary to the Board of Trustees

Ronald E. Robinson
Chair
Audit Committee of the
Board of Trustees