

**REAPPOINTMENT OF AN INDEPENDENT
PUBLIC ACCOUNTING FIRM**

A Recommendation

1. **Division and Department:** Finance and Administration, Controller's Office
2. **Introduction:** *The Charter of the Audit Committee of the Oakland University Board of Trustees* (Audit Committee) provides that the Audit Committee is advisory to the Board of Trustees (Board) with the following duties and responsibilities in connection with the University's Independent Auditors. The Audit Committee shall:
 - A. Recommend to the Board of Trustees the appointment, compensation, retention, oversight and termination of all independent auditors.
 - B. Recommend to the Board of Trustees all terms of and fees for audit services, audit-related services, tax services, and other services to be performed for the University by any independent auditors.
 - C. Ensure that the independent auditors prepare and deliver with each engagement letter a written statement representing to the Audit Committee that the auditor is independent in regards to the University and any related parties.
 - D. Be provided annually with a copy of the auditor's peer review report and related letter of comments and recommendations.
 - E. Ensure that the independent auditors of the University-wide financial statements shall submit to the University, annually, a formal written statement of the fees billed for each of the following categories of services rendered by the independent auditors: (i) audit services; (ii) tax services; and (iii) all other services rendered by the independent auditors for the most recent fiscal year, in the aggregate and by each category of service.
 - F. Review the independent auditors' University-wide, written audit plan prior to the commencement of the audit and discuss audit scope, staffing, locations, and reliance upon Management, internal audit and general audit approach with the Audit Committee.

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- G. Review and evaluate the qualifications, performance, and independence of the independent auditors, including an evaluation of the lead partner of the independent auditors and an evaluation of whether the independent auditors' quality controls are adequate and whether the provision of permitted non-audit services is compatible with maintaining the auditors' independence. The Audit Committee's evaluation of the independence of the independent auditors shall be made with respect to standards of independence set forth in any applicable accounting and financial standards, laws and regulations. The Audit Committee shall consider the opinions of Management and internal auditors in its evaluation.
- H. Ensure the appropriate rotation of the lead audit partner having primary responsibility for the audit and audit partner responsible for reviewing the audit. The Board of Trustees require a rotation of the lead partner after five years with an introduction to the new lead partner during the fifth year of the current lead partner. In the case of extenuating circumstances (change in leadership, systems, processes, etc.), the Audit Committee can choose to extend the current lead partner for a period not to exceed two additional years.
- I. Consider, whether, in order to assure continuing auditor independence, there should be a change in the audit firm itself. Audit services shall be competitively bid every six years. In the case of extenuating circumstances (change in leadership, systems, processes etc.), the Audit Committee can recommend that the current audit contract be extended for a period not to exceed two additional years. Assessment of the audit firms responding will be based on both quantitative and qualitative factors as determined by the Audit Committee.
- J. Receive and act upon any report from the independent auditors regarding any internal control deficiencies and the response from Management thereto.
- K. Recommend approval of any non-audit services by any independent auditors.

Plante & Moran (PM) was appointed by the Board as its independent public accountants for FY2017 and FY2018 and performed competently as determined

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by the Audit Committee. The Audit Committee recommends that PM continue for FY2019 as the Board's independent public accountants.

3. **Previous Board Action:** As a result of a competitive bid process, in February 2017, PM was appointed as the University's independent public accounting firm for FY2017 and FY2018.
4. **Budget Implications:** The audit engagement cost for FY2019 is projected to be \$92,800.
5. **Educational Implications:** None.
6. **Personnel Implications:** None.
7. **University Reviews/Approvals:** This recommendation was formulated by the Controller's Office and reviewed by the Vice President for Finance and Administration, President, and Audit Committee Chair.
8. **Recommendation:**

WHEREAS, the Board of Trustees has previously appointed Plante & Moran (PM) as its independent public accounting firm; and

WHEREAS, the Board of Trustees' Audit Committee is satisfied with the performance of PM in its role as the Board of Trustees' independent public accounting firm; now, therefore, be it

RESOLVED, that the Board of Trustees approves the appointment of PM as the Board of Trustees' independent public accounting firm to conduct the FY2019 Audit at a projected cost of \$92,800; and, be it further

RESOLVED, that the Board of Trustees' Audit Committee will review and approve the relative engagement letters and audit scope; and, be it further

RESOLVED, that PM will report the results of its annual examination of Oakland University's financial statements in draft form to the Board of Trustees' Audit Committee and in final form to the Board of Trustees; and, be it further

RESOLVED, that the Board of Trustees authorizes the Audit Committee Chair, President, Vice President for Finance and Administration, and their respective designees, to perform all acts and deeds and to execute and deliver all contracts, instruments and documents required by this resolution that are

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necessary, expedient and proper in connection with the Audit and the ongoing administration of the Audit; and, be it further

RESOLVED, that said contracts, instruments and documents shall be reviewed by and be in a form acceptable to the Vice President for Legal Affairs and General Counsel prior to execution, and be in compliance with the law and with University policies and regulations and conform to the legal standards of the Vice President for Legal Affairs and General Counsel.

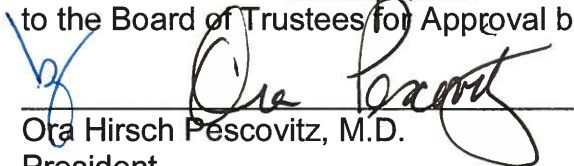
9. **Attachments:** None.

Submitted to the President
on 3/27, 2019 by



John W. Beaghan
Vice President for Finance and Administration
and Treasurer to the Board of Trustees

Recommended on 4/1, 2019
to the Board of Trustees for Approval by



Ora Hirsch Pescovitz, M.D.
President