

**APPOINTMENT OF INDEPENDENT  
PUBLIC ACCOUNTANTS FOR AUDIT SERVICES, FY2011**

**A Recommendation**

1. **Division and Department:** Finance and Administration, Controller's Office
2. **Introduction:** According to the Board of Trustees' (Board) Standing Finance, Audit and Investment Committee Policy, it is the responsibility of the Finance, Audit and Investment Committee (FAIC) to "review and recommend to the Board, the selection, retention or termination, as appropriate, of independent public accountants to perform audit services for the University."

According to the Board's Rotation of Auditing Firms Policy, "independent public accounting services must be competitively bid at a minimum of every five years with results of the bid and a recommendation presented to the Board's Finance, Audit and Investment Committee for its formal recommendation to the Board." And, the appointment of the independent public accounting firm "shall be for a one-year period."

Andrews Hooper & Pavlik (AH&P) performed independent public accounting services for Oakland University (University) for FY2007 – FY2010, four fiscal years. At the direction of the Board, these services were to be competitively bid following the FY2010 engagement.

In November 2010, a Request for Proposals (RFP) was sent to three auditing firms serving public universities in Michigan. All three firms responded with formal proposals (AH&P, Plante Moran and Rehmann Robson). An Audit Firm Search Committee (Search Committee) was formed to review the proposals, conduct interviews, and formulate a recommendation. The Search Committee was comprised of the Chair of FAIC, Vice President for Finance and Administration and Treasurer, Assistant Vice President and Controller, Chief Information Officer, Dean of the School of Business Administration, Director of Internal Audit, Director of Financial Aid, and Manager of Accounting.

After a thorough review of the proposals, AH&P was invited to interview with the Search Committee. AH&P's proposal satisfactorily addressed each of the University's needs as outlined in the RFP. Their information technology staff is familiar with the University's SCT/Sungard Banner administrative system. AH&P currently serves as external auditors for Central Michigan University and Saginaw Valley State University, in addition to many community colleges and private universities. Their references were very satisfied with the audit services performed. They have agreed to the University's required language for their engagement letter. Their proposed fees were the lowest of the three firms.

Following the interview, the Search Committee unanimously agreed to recommend AH&P to the FAIC as the University's independent public accountants for a one-year engagement.

3. **Previous Board Action:** In March 2007, AH&P was appointed as the University's independent public accountants for FY2007. In January 2008, October 2008, and April 2010, AH&P was reappointed for FY2008, FY2009, and FY2010, respectively.
4. **Budget Implications:** The fee for FY2010 audit services was \$89,625. The proposed fee for FY2011 audit services is \$72,780.

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5. **Educational Implications:** None.

6. **Personnel Implications:** None.

7. **University Reviews/Approvals:** The proposals were reviewed by the Search Committee. This recommendation was prepared by the Assistant Vice President and Controller, and reviewed by the Vice President for Finance and Administration and Treasurer, President and the Finance, Audit and Investment Committee on March 15, 2011 and recommended to the Board of Trustees for its approval at its March 30, 2011 Formal Session.

8. **Recommendation:**

RESOLVED, that the Board of Trustees appoints Andrews Hooper & Pavlik, P.L.C. as the University's independent public accounting firm for FY2011 at a cost not-to-exceed \$72,780; and, be it further

RESOLVED, that Andrews Hooper & Pavlik, P.L.C. will report the results of its annual examination of Oakland University's financial statements to the Board of Trustees and its committees as requested; and, be it further

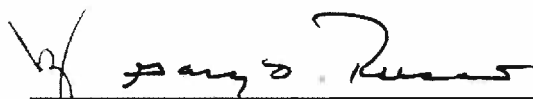
RESOLVED, that the engagement letter be reviewed and approved by the Office of Legal Affairs prior to execution, and be in compliance with the law and University policies and regulations and conform to the legal standards and requirements of the University's Vice President for Legal Affairs.

9. **Attachments:** A. Summary of Proposals.

Submitted to the President  
on 3/22, 2011 by

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

Recommended on 3/22, 2011  
to the Board of Trustees for Approval

  
\_\_\_\_\_  
Gary D. Russi  
President

## ATTACHMENT A

### Appointment of Independent Public Accountants for Audit Services, FY2011

#### Summary of Proposals

Andrews Hooper & Pavlik	\$ 72,780
Rehmann Robson	\$ 74,000
Plante Moran	\$ 91,500