

**Minutes of the Meeting
of the
Oakland University Board of Trustees
Audit Committee Meeting
April 24, 2018**

Present: Chair Melissa Stolicker; Trustees Marianne Fey and Ronald E. Robinson (via Teleconference)

Also Present: President Ora Hirsch Pescovitz; Vice President for Finance and Administration and Treasurer to the Board of Trustees John W. Beaghan; Vice President for Student Affairs and Chief Diversity Officer Glenn McIntosh; Vice President for Communications and Marketing John O. Young; Vice President for Legal Affairs, General Counsel and Secretary to the Board of Trustees Victor A. Zambardi; and Student Liaison Sean M. Foe

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

A. Call to Order

Chair Melissa Stolicker called the meeting to order at 1:58 p.m. in Banquet Room A of the Oakland Center.

B. New Items for Consideration

1. Approval of Minutes of the Audit Committee Meeting of October 11, 2017

Trustee Robinson seconded by Trustee Stolicker moved approval of the Minutes of the Audit Committee Meeting of October 11, 2017 and the motion was approved.

2. FY2018 Financial Statement Audit

Mr. Beaghan began by indicating that the Audit Committee is required to review the audit scope prior to the commencement of the FY2018 Financial Statement audit and introduced Dana Coomes, the audit partner for Plante & Moran, to present the planned scope.

Ms. Coomes indicated that this year they will be providing an opinion on the University's financial statements. They will also provide an opinion for the single audit and agreed upon procedures for the NCAA audit. The letter presented to the Audit Committee includes information relative to their responsibilities as auditors versus management's responsibilities. Management would be responsible for

implementation of key controls as well as the financial statements and the auditors' responsibility would be to provide an opinion on those financial statements. They do review the internal controls for the purpose of risk assessment, but they do not provide an opinion on those internal controls. However, if they identify anything during that review, they will bring it to the Committee's attention. The letter also mentions an upcoming accounting pronouncement that the University will adopt this year related to GASB 75 and that is the entire actuarial liability for the healthcare associated with retirees. University management is in the process of retaining an actuarial report to conclude on the liability and total and the auditors will then review that actuarial report to make sure they agree with the assumptions and the calculation.

One other item that is not in this letter because it is not material to the financial statements, is that the University will also adopt GASB 81 relative to irrevocable split interest agreements, but they do not anticipate that to have a material effect on the financial statements.

The overall planned audit scope is very similar to last year. They will do their planning procedures in April and May with an interim audit in May and early June. The audit plan will then be sent and year-end substantive procedures will occur in the August and September timeframes with the intent to come back to the Audit Committee either near the end of September or early October to present the results.

Mr. Bondar continued and noted that a component of their audit is always a single audit, which is an audit of the federal awards for the University. Each year due to the size of the program, they are required to test student financial aid and evaluate other programs to determine if there is a testing requirement based on a number of factors that are prescribed to them by the standards. This year they do not anticipate having to test any other program other than the student financial aid program and timing on that will be very similar to the regular audit.

Trustee Stolicker read through the planned scope and approach and approves of it. She also believes that the auditors, with all of the construction on campus, should look at whatever the process is to approve invoices.

In response to a question from Trustee Stolicker, Ms. Coomes indicated that in testing last year, most of the investments that the University holds is with CommonFund and CommonFund has funds that do not have a readily available market price. However, if you look at what is included in those funds and you look at the underlying investments, all of them have a market price and that is how they tested it last year. They were able to go out to the market and make sure that it was consistent, but they also do get their own audited financial statements that they utilize as well during their testing.

In response to another question from Trustee Stolicker regarding where NCAA procedures originate, Ms. Coomes indicated that the NCAA comes up with

prescribed standards as to what to test and then they work with University management to make sure the ones that they feel are applicable are the ones that they are testing because sometimes they are not going to be applicable to the University. The ones the auditors have listed are the ones they deem to be applicable to Oakland University. She added that the NCAA does make changes and some of the most recent changes have been to increase the amount of testing a couple of years ago, specifically on the expenditure side.

In response to a question from Trustee Robinson, Ms. Coomes stated that Plante Moran would not audit anything specific to Title IX, but if they became aware of a situation that the University was involved with, they would work with the Office of Legal Affairs to understand if there is any liability associated with any issues.

In response to another question from Trustee Robinson regarding the engagement agreement, Mr. Beaghan indicated that there was a small increase in the fee, which was in their initial proposal.

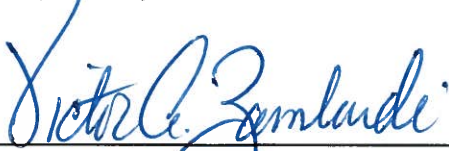
Trustee Stolicker stated that, on behalf of the Committee, she will execute both the Financial Statement Audit, Single Audit, the Crosswalk for the CAFR and Review of the 990-T letter and the letter that covers the NCAA Agreed-Upon Procedures.

C. Adjournment

The meeting adjourned into closed session at 2:10 p.m.

Respectfully submitted,

Approved,



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

Melissa Stolicker
Chair
Audit Committee of the
Board of Trustees