

**REAPPOINTMENT OF AN INDEPENDENT  
PUBLIC ACCOUNTING FIRM**

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.

- 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.


3. **Previous Board Action:** As a result of a competitive bid process, in February 2017, Plante & Moran (PM) was appointed as the University's independent public accounting firm for FY2017, FY2018, FY2019, FY2020, FY2021 and FY2022.
4. **Budget Implications:** The audit engagement cost for FY2023 is projected to be \$101,500; potential incremental costs relative to additional services that may be required will be discussed with management, if necessary.
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, and President.
8. **Board Action to be Requested:** Upon approval of the Audit Committee, at the next Formal Session of the Board, the Audit Committee will: express its satisfaction with the performance of PM in its role as the Board's independent public accounting firm; recommend to the Board that PM be appointed as the Board's independent public accounting firm for FY2023 at a cost of \$101,500; potential incremental costs relative to additional services that may be required will be discussed with management, if necessary; recommend that PM report the results of its annual examination of Oakland University's financial statements in draft form to the Audit Committee and in final form to the Board; and recommend that the engagement letters, that have been reviewed and approved by the Office of the Vice President for Legal Affairs and General Counsel, and are in compliance with the law and University policies and regulations, and conform to legal standards and policies of the Vice President for Legal Affairs and General Counsel, be approved for signature by the Chair of the Audit Committee.
9. **Attachments:**
  - A. Audit Scope Letter
  - B. Financial Statement Audit Engagement Letter
  - C. NCAA Agreed-Upon-Procedures Letter
  - D. Form 990-T Tax Review Letter

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Public Accounting Firm  
Oakland University  
Board of Trustees  
Audit Committee  
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Submitted by Vice President for Finance and Administration  
and Treasurer Stephen W. Mackey:

  
(Please initial)

Reviewed by Secretary Joshua D. Merchant:

  
(Please initial)

Reviewed by President Ora Hirsch Pescovitz, M.D.:

  
(Please initial)