

BOARD OF REGENTS

EASTERN MICHIGAN UNIVERSITY

SECTION: 20

DATE:

June 15, 2010

RECOMMENDATION APPOINTMENT OF EXTERNAL AUDIT FIRM

ACTION REQUESTED

It is recommended that the Board of Regents appoint Plante & Moran, PLLC as the University's external audit firm and authorize the Chief Financial Officer and Treasurer to the Board of Regents to negotiate a contract with Plante & Moran for external audit services. The initial term of the contract is three years, with two mutually agreeable one-year extensions.

STAFF SUMMARY

The University bylaws provide that the Finance and Audit Committee shall recommend to the Board the selection of an external auditor, who shall be appointed by the Board.

An RFP was issued in March 2010 seeking qualifications of firms to perform external audit services for the University. The scope of services for the engagement include:

- Audit of the University's financial statements
- Audit of the University's federal programs (A-133)
- Audit of WEMU-FM financial statements and report
- Performing University's Intercollegiate Athletics Program Agreed-Upon Procedures
- Reviewing Crosswalks for Michigan Comprehensive Annual Financial Report (CAFR)
- Preparing University's Form 990T, Exempt Organization Business Income Tax Return

Four firms responded to the RFP, and the proposals were reviewed by a selection committee including the Finance & Audit Committee Chairman, the University's Chief Financial Officer and Treasurer to the Board, and five other University staff. Two firms were selected as finalists. On May 12, 2010, the finalist firms were interviewed by the selection committee with Plante & Moran recommended unanimously by the committee.

Plante & Moran has served as the University's external auditor since 2005 and in accordance with best practice, will rotate the University's Engagement Partner and Engagement Manager.

FISCAL IMPLICATIONS

Plante & Moran's fee proposal represents a 10% reduction from current fee levels. The anticipated annual cost is \$101,500 and is reflected in the University's General Fund budget.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer

Date

6-15-10