

**Minutes of the Meeting
of the
Oakland University Board of Trustees
Audit Committee Meeting
April 15, 2019**

Present: Chair Melissa Stolicker; Trustees Marianne Fey and Dennis Muchmore

Also Present: President Ora Hirsch Pescovitz; Chief Operating Officer Scott G. Kunselman; Vice President for Finance and Administration and Treasurer to the Board of Trustees John W. Beaghan; Athletics Director Steven C. Waterfield; Vice President for University Advancement Michael J. Westfall; 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

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

A. Call to Order

Chair Melissa Stolicker called the meeting to order at 3:31 p.m. in Founders Ballroom A of the Oakland Center.

B. New Items for Consideration

1. Approval of Minutes of the Audit Committee Meeting of October 4, 2018

Trustee Fey seconded by Chair Stolicker moved approval of the Minutes of the Audit Committee Meeting of October 4, 2018 and the motion was unanimously approved by those present.

2. FY2019 Financial Statement Audit Scope

Mr. Beaghan introduced Dana Coomes and Stephen Bondar of Plante Moran to present the FY2019 Financial Statement Audit Scope.

Ms. Coomes began by indicating that prior to starting the audit, they provide a letter that includes the scope, timing and audit plan specifics. At the conclusion of the audit, they will come before the Audit Committee in October to provide the audit's results.

Mr. Bondar, the audit manager for the Oakland University audit, continued noting that their responsibility is to express an opinion about whether the University's financial statements are materially correct in accordance with US generally accepted accounting principles. The audit does not relieve the Board or management of its responsibility with respect to the financial statements that they audit. The audit is conducted in three general phases. They plan for the audit, primarily during the month of May, perform a detailed risk analysis during May and June and then perform the bulk of the audit field work in August. As part of their risk assessment procedures, they look at the University's key internal controls. Although they will not express an opinion on the effectiveness of these controls, if they become aware of deficiencies or other things they consider to be significant with regards to the internal controls, they will communicate those to the Board at the conclusion of the audit.

As a consequence of the audit being performed in conjunction with the single audit of federal awards, they have to perform the audit in accordance with generally accepted government auditing standards. This means that if they were to come across any sort of noncompliance with laws and regulations or with grants, they would communicate those instances to the Board at the conclusion of the audit. During the audit, they will place a greater emphasis on those items that, on a relative basis, are more important to the University's financial statements and those items that have a higher risk of misstatement than those that do not.

In response to a question from Trustee Stolicker, Ms. Coomes indicated that they would confirm investment valuation directly with the investment holder and with alternative investments they receive audited financial statements to confirm the valuation of those investments. She added that this year they will test student financial aid like they always have and R&D is up to be tested this year, which is tested on a rotational basis every three years.

Trustee Fey seconded by Trustee Muchmore moved approval of the recommendation of Plante Moran's FY2019 Financial Statements Audit Scope to the full Board of Trustees and the motion was unanimously approved by those present.

3. Youth Protection Update

Mr. Kunselman provided an update on the Youth Protection Policy. As a result of an internal audit that was completed last fall with respect to managing the youth on Oakland's campus, several steps have been taken. First, Oakland is moving from a process that was highlighted through a website, directly to an administrative policy as part of the University structure. The policy is now in the University's approval process. Next, the audit found inconsistent adherence to the online process and therefore communicating with existing program administrators to make sure the requirements are clear was important. A "Town Hall" meeting was held at the end

of 2018 with all of the known program administrators to iterate where the University was heading with the policy and to use it as a Q&A to address any issues the program administrators had. The next step on communication will be, following the formal approval of the policy, repeating "Town Hall" process in terms of making clear the requirements to those administrators.

Mr. Kunselman highlighted that with the new policy, any personnel, whether they're support personnel or the ones administering the youth program would be subject to an annual background check. Also, a new vendor, HireRight, has been hired and Oakland will be able to implement the policy requirements directly using their system. HireRight was a source of benchmarking information that was utilized, as they also support other institutions. Oversight of the policy and the processes involved will be the responsibility of the Chief Operating Officer through the Oakland University Police Department. In response to a question from Chair Stolicker, Mr. Kunselman stated that the position created for the youth protection policy will also assist with Clery Act responsibilities.

In response to a question from Trustee Fey, Mr. Kunselman indicated that benchmarking also including looking at other institution's policies and attending webinars, including one presented by Indiana University. The policy has within it, requirements for training, including clarifying that each individual involved in the youth program has to have been through a training cycle. Training through Skillssoft, and other shared resources, will be utilized. Each of the youth program administrators will implement the training and the police department would have an oversight verification.

C. Adjournment

The meeting adjourned into closed session at 3:46 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