

**Minutes of the Meeting
of the
Oakland University Board of Trustees
Audit Committee Meeting
April 20, 2023**

Present: Chair David Kramer; and Trustees Dennis Muchmore (via Zoom) and Trina Scott

Also Present: President Ora Hirsch Pescovitz (via Zoom); Chief of Staff and Secretary to the Board of Trustees Joshua D. Merchant; Vice President for Finance and Administration and Treasurer to the Board of Trustees Stephen W. Mackey; Senior Vice President for Student Affairs and Chief Diversity Officer Glenn McIntosh; Vice President for University Advancement Michael J. Westfall; Vice President for Legal Affairs and General Counsel Boyd C. Farnam; and Director of Athletics Steven C. Waterfield

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

A. Call to Order

Chair David Kramer called the meeting to order at 12:33 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 3, 2022

Chair Kramer seconded by Trustee Scott moved approval of the Minutes of the Audit Committee Meeting of October 3, 2022 and the motion was unanimously approved by those present.

2. Reappointment of an Independent Public Accounting Firm

3. Schedule of Expenditures of Federal Awards, Year Ended June 30, 2022

Vice President Mackey presented the Schedule of Expenditures of Federal Awards. There was discussion.

Chair Kramer called for a vote to approve the item. Motion was made by Trustee Scott and supported by Trustee Muchmore. Motion approved.

Vice President Mackey proceeded with the Reappointment of the Independent Public Accounting Firm by introducing Plante Moran partners Dana Coomes and Steve Bondar who then presented their results of the audit.

Plante Moran issued their opinions on the University single audit back in February 2023. This was an unmodified opinion on the report, which covered federal dollars spent for the year ended June 30, 2022 that totaled approximately \$141M and this was primarily concentrated in the student financial aid and the Higher Education Emergency Relief Covid funding. There was one reportable finding related to HEERF regarding the timing of that reporting requirement, but the most important thing to note, is the University did comply with all allowability requirements as far as how all the dollars were spent.

Plante Moran also shared the requirement to communicate on a number of different things regarding the upcoming 2023 audit. The financial statement audit is a very significant and important undertaking and the statements are published publicly, reviewed by federal agencies, the state and monitored by bond rating agencies, among others and the goal of our audit is to provide a reasonable level of assurance that these financial statements are materially accurate. So, their responsibility is under generally accepted audit standards and generally accepted government auditing standards are to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented in all material respects in conformity with US GAAP. They noted, their audit does not relieve management of responsibilities as it relates to the financial statements. They also noted they are required as part of the governmental auditing standards to communicate any noncompliance with provisions of laws, regulations, contracts or other grants that would have a material impact on the financial statements that come to our attention during the audit. If any of those things were to come to their attention, they would communicate those to OU in the fall when they report back on the results of the audit.

They also shared there are two new accounting standards this year. One is GASB 94, which deals with the accounting for public private and public public partnerships and then there's GASB 96, which is sort of a sister standard to the new standard from last year, which was GASB 87 and this deals with subscription based IT arrangements, very similar to leases. Their opinion is going to make reference to both of these new standards. One of the items to plan an effective audit, they must identify significant risks of misstatement in the financial statements and then design procedures to address those risks.

The Auditors then opened questions from the Committee.

Trustee Kramer asked a question. "I know we've worked with Plante Moran for a long time now. It's my understanding that best practice is to rotate the team even if you continue to work with the same auditing firm. Have we been doing that?"

Mr. Bondar replied by noting this was Ms. Coomes' last year as partner on the engagement as they have a scheduled rotation.

Trustee Muchmore asked a question. "Do you do a security audit of our IT systems as a part of your general audit?"

Mr. Bondar replied noting that Plante Moran does look at IT as part of the audit. He further noted that as part of the financial statement audit, it is fairly general. It does not necessarily get into the details of cybersecurity, but that is potentially something that they could look at as a separate more focused engagement.

Trustee Muchmore then asked, "Does Plante Moran do a physical security, some kind of overview of physical security on campus too?"

Ms. Coomes replied by stating, that isn't something that Plante Moran would do as a result of the audit process, but that is something that they could do and have groups within the firm that can help with that from a physical security standpoint as well.

Trustee Muchmore asked for a proposal regarding this issue.

Chair Kramer called for a vote to approve the reappointment for one-year. Motion was made by Trustee Scott and supported by Trustee Muchmore. Motion approved.

C. Other Items for Consideration that May Come Before the Committee

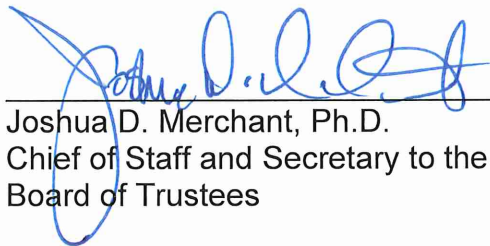
There were no other items for consideration presented to the Committee.

D. Adjournment

The meeting adjourned into closed session at 12:51 p.m.

Respectfully submitted,

Approved,



Joshua D. Merchant, Ph.D.
Chief of Staff and Secretary to the
Board of Trustees

David Kramer
Chair of the Audit Committee of the
Board of Trustees