



## Board of Trustees Policy

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**POLICY NUMBER: BOT 104**

**POLICY NAME: Board of Trustees Auditor Rotation**

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<b>Effective Date:</b>	February 16, 2018
<b>Last Review Date:</b>	June 28, 2024
<b>Next Scheduled Review Date:</b>	June 2029

### I. POLICY STATEMENT

This policy provides guidance on selecting and keeping auditors for the University to maintain financial integrity and mandates the transition of auditors every six years with no partner at one firm allowed to serve as auditor for more than (1) one six-year term.

### II. RESPONSIBLE OFFICE

Senior Vice President, Chief Financial Officer and Treasurer

### II. SCOPE

This policy applies to all financial audits performed by an outside party for the Board of Trustees.

### IV. DEFINITIONS

None listed.

## **V. POLICY**

It shall be the policy of the Board of Trustees to periodically rebid the University's financial audit work. The external audit firm, selected through a bidding process overseen by the Trustee Audit, Risk and Compliance Committee, shall be appointed initially at the beginning of the term and reappointed annually for a total term of not more than six consecutive audits. At the completion of the sixth consecutive audit by the same firm, a request for proposals shall be issued to select a firm for the next audit cycle of six years.

If the incumbent audit firm is selected to continue to perform the financial audit for a subsequent six-year period, a change in the partner in charge of the audit is required.

While the Board reserves the right, notwithstanding this policy, to change audit firm at any time, the Board recognizes that both the University and the audit firm selected make substantial initial investments at the beginning of the audit relationship and that both parties anticipate recovery of their costs over the six-year period. Therefore, the Board does not intend to change the audit firm during the six-year audit cycle so long as the service and the fees of the audit firm remain satisfactory through the six-year period.

## **VI. PROCEDURES**

1. The Senior Vice President, Chief Financial Officer and Treasurer shall be responsible for solicitation of proposals for external audit services at least once every six years.
2. The Senior Vice President, Chief Financial Officer and Treasurer shall review the proposals with the Audit, Risk and Compliance Committee who shall make the final decision.
3. No firm may act as the financial auditor for more than (6) six consecutive annual audits without being selected through a subsequent competitive proposal process except as outlined in Section V of this policy.

## **VII. RELATED POLICIES AND INFORMATION**

None listed.

## **VIII. HISTORY**

Enacted: October 26, 1979

Amended: June 28, 2024  
February 16, 2018  
May 6, 2005  
February 10, 1995  
October 13, 1989  
December 3, 1982

Retired Policy No. 01-01-04