

**MICHIGAN STATE  
UNIVERSITY**



February 14, 2020

**MEMORANDUM**

**To:** Committee on Audit, Risk and Compliance  
**From:** Mark P. Haas *Mark P. Haas*  
Vice President for Finance and Treasurer  
**Subject:** Appointment of University's External Auditors for 2019-20

**RECOMMENDATION**

The Trustee Committee on Audit, Risk and Compliance recommends that the Board of Trustees appoint Plante & Moran as external auditors for the 2019-2020 fiscal year with the expectation that they may receive annual reappointment as auditors for a total of six years (through fiscal year 2024-2025), provided service, price, terms, and conditions are satisfactory.



**RESOLUTION**

BE IT RESOLVED, that the Board of Trustees of Michigan State University hereby appoints Plante & Moran as the University's external auditors for the 2019-2020 fiscal year at a fee of \$330,000.

**BACKGROUND**

In accordance with the policy on rotation of auditors, the Board of Trustees is to select an audit firm to begin a new six-year auditor eligibility cycle with the 2019-2020 audit. The auditing firm selected will be eligible for annual reappointment by the Board of Trustees through the 2024-2025 fiscal year. If the incumbent firm is selected to continue services, the audit partner in charge of the engagement must be changed.

In coordination with the University finance staff, the Committee on Audit, Risk and Compliance reviewed written proposals from prospective auditors and recommended three finalists to interview. In December the committee interviewed the three firms in person and heard presentations from each. This recommendation is the result of the selection process interviews.

If approved, the scope of services includes an audit of the University's basic financial statements, WKAR-AM/FM and WKAR-TV, and federal awards as of and for the year ending June 30, 2020. The scope also includes performing agreed-upon procedures for the University's athletic programs to determine

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compliance with NCAA Bylaw 3.2.4.15. In addition, Plante & Moran will review and sign the University's tax return on Form 990-T and assist with preparing certain related state income tax returns.

The \$330,000 fee is a 13% decrease over the prior year and resets total fees to fiscal year 2014-2015 levels.

Also included in Plante & Moran's scope is audit and tax services for MSU Health Care, Inc. during this six-year period. The engagement letter specific to MSU Health Care, Inc. services for a fee of \$67,000 for fiscal 2019-2020 will be reviewed and approved separately by its governing board.

cc: Board of Trustees, S. Stanley, T. Sullivan, K. Wilbur, N. Barr, M. Zeig,  
B. Quinn, G. Deppong, M. Tarrant, J. Rayis, J. Thelen, S. Bryant,  
N. Beauchamp