Engagement of Independent Auditors and Related Fees

The Vice President for Finance and CFO recommends that BKD LLP be employed to provide audit services to the University of Missouri for fiscal year 2021 for fees of $555,698 plus expenses not to exceed $67,000. The total fees and expenses of $622,698 represent a 11% decrease in fees and expenses for normal audit services over the prior fiscal year. The decrease is a result of competitively bidding the contract. The Board previously approved the award of the contract to BKD at the October meeting in closed session.

Fiscal year 2021 fees cover the following audit services: combined financial statements of the University of Missouri System, compliance audit of the University of Missouri System in accordance with OMB Circular A-133; financial statements of Capital Region Medical Center; and, minimum agreed-upon procedures required by the NCAA for the Intercollegiate Athletics Departments of the Columbia, Kansas City, Rolla and St Louis campuses.

Fees for required NCAA Athletic Department minimum agreed upon procedures increased by $15,592 mainly due to the inclusion of the UM-St. Louis and Missouri S&T athletic departments in the scope. The NCAA requires that minimum agreed-upon procedures for a Division II university intercollegiate athletic program be performed every three years. These procedures were performed for the Missouri University of Science and Technology campus and the UM – St. Louis campus in fiscal year 2018 and are required in fiscal year 2021.
### University of Missouri System
Fiscal year ended June 30, 2021

<table>
<thead>
<tr>
<th></th>
<th>6/30/2020 Fees</th>
<th>New Contract Rate</th>
<th>Known scope change</th>
<th>Total Fees FY 2021</th>
<th>6/30/2020 Expenses</th>
<th>New Contract Rate</th>
<th>Known scope change</th>
<th>Total Expenses FY 2021</th>
<th>Total Fees &amp; Expenses FY 2020</th>
<th>Total Fees &amp; Expenses FY 2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Combined financial statements of the University of Missouri System</td>
<td>$268,147</td>
<td>$(46,072)</td>
<td>$ -</td>
<td>$222,075</td>
<td>$37,996</td>
<td>$4</td>
<td>$ -</td>
<td>$38,000</td>
<td>$306,144</td>
<td>$260,075</td>
</tr>
<tr>
<td>Compliance audit of the University of Missouri System in accordance with OMB Uniform Guidance</td>
<td>$150,901</td>
<td>$(28,838)</td>
<td>$ -</td>
<td>$122,063</td>
<td>$13,028</td>
<td>$(2,028)</td>
<td>$ -</td>
<td>$11,000</td>
<td>$163,928</td>
<td>$133,063</td>
</tr>
<tr>
<td>Financial statements of the University Health System</td>
<td>$86,849</td>
<td>$(8,099)</td>
<td>$ -</td>
<td>$78,750</td>
<td>$8,685</td>
<td>$15</td>
<td>$ -</td>
<td>$8,700</td>
<td>$95,535</td>
<td>$87,450</td>
</tr>
<tr>
<td>Financial statements of the Capital Region Medical Center</td>
<td>$82,507</td>
<td>$(3,757)</td>
<td>$ -</td>
<td>$78,750</td>
<td>$7,599</td>
<td>$1</td>
<td>$ -</td>
<td>$7,600</td>
<td>$90,106</td>
<td>$86,350</td>
</tr>
<tr>
<td>Minimum agreed-upon procedures required by the NCAA for the Intercollegiate Athletics Departments of the Columbia, Kansas City, Rolla and St Louis campuses</td>
<td>$36,911</td>
<td>$(9,881)</td>
<td>$27,030</td>
<td>$54,060</td>
<td>$3,256</td>
<td>$(2,256)</td>
<td>$700</td>
<td>$1,700</td>
<td>$40,168</td>
<td>$55,760</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$625,315</strong></td>
<td><strong>$(96,647)</strong></td>
<td><strong>$27,030</strong></td>
<td><strong>$555,698</strong></td>
<td><strong>$70,565</strong></td>
<td><strong>$(4,265)</strong></td>
<td><strong>$700</strong></td>
<td><strong>$67,000</strong></td>
<td><strong>$695,880</strong></td>
<td><strong>$622,698</strong></td>
</tr>
</tbody>
</table>

Additional audit hours incurred beyond the anticipated normal scope of auditing services will be discussed with UMS management on a timely basis and additional billings will be negotiated at an hourly rate of $210.00. The following instances are considered a change in the normal scope of the audits: 1) greater than six major federal award programs under OMB Uniform Guidance Single Audit and the effects of requirements imposed on Federal dollars related to the American Recovery and Reinvestment Act of 2009 (ARRA) 2) implementation of new Governmental Accounting Standards Board Statements, Accounting Standards Codifications (including the additional effects that ASC's may have at CRMC), or AICPA Auditing Standards, 3) scope of audit work changing dramatically, significant difficulties encountered beyond the expected scope of the audits, or inefficiencies caused by delays in PBC's not being completed according to originally agreed upon schedule. The above noted fees assume between 150 and 200 hours of direct audit assistance will be provided from a University Intern.
Recommended Action – Engagement of Independent Auditors and Related Fees, UM

It was recommended by Vice President Rapp, endorsed by President Choi, moved by Curator ________, seconded by Curator __________, that the following action be approved:

that the Vice President for Finance be authorized to employ the firm of BKD LLP to provide audit services to the University of Missouri for fiscal year ending June 30, 2021 for fees of $622,698.

Roll call vote of Committee:  YES   NO

Curator Brncic
Curator Graham
Curator Layman
Curator Snowden

The motion ____________.

Roll call vote:  YES  NO

Curator Brncic
Curator Chatman
Curator Graham
Curator Hoberock
Curator Layman
Curator Snowden
Curator Steelman
Curator Wenneker
Curator Williams

The motion ____________.