

Engagement of Independent Auditors and Related Fees  
UM

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.

February 4, 2021

**University of Missouri System**

Fiscal year ended June 30, 2021

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

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.

No. 1

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 \_\_\_\_\_.