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 2020 for fees of $625,315 plus expenses not to exceed $70,565. The total fees and expenses of $695,880 represent a 2.1% increase over the prior fiscal year.

Fiscal year 2020 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 Uniform Guidance; financial statements of Capital Region Medical Center; and, minimum agreed-upon procedures required by the NCAA for the Intercollegiate Athletics Departments of the Columbia and Kansas City campuses.

Fees for required NCAA Athletic Department minimum agreed upon procedures did not change from the previous year due to the timing of the audit for Division I and Division II programs. 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 will not be required until fiscal year 2021.
### University of Missouri System
Fiscal year ended June 30, 2020

|                                | 6/30/2019 Fees |   | Inflation Adjustment |   | Known scope change |   | Total Fees FY 2020 |   | 6/30/2019 Fees |   | Inflation Adjustment |   | Known scope change |   | Total Expenses FY 2020 |   | Total Fees & Expenses FY 2019 |   | Total Fees & Expenses FY 2020 |
|--------------------------------|----------------|---|----------------------|---|--------------------|---|-------------------|---|-------------------|---|----------------------|---|--------------------|---|------------------------|---|------------------------|
| Combined financial statements of the University of Missouri System | $262,632 | $5,515 | $- | $268,147 | $37,215 | $782 | $- | $37,996 | $299,847 | $306,144 |
| Compliance audit of the University of Missouri System in accordance with OMB Uniform Guidance | $147,797 | $3,104 | $- | $150,901 | $12,760 | $268 | $- | $13,028 | $160,557 | $163,928 |
| Financial statements of the University Health System | $85,063 | $1,786 | $- | $86,849 | $8,507 | $179 | $- | $8,685 | $93,570 | $95,535 |
| Financial statements of the Capital Region Medical Center | $80,810 | $1,697 | $- | $82,507 | $7,443 | $156 | $- | $7,599 | $88,253 | $90,106 |
| Minimum agreed-upon procedures required by the NCAA for the Intercollegiate Athletics Departments of the Columbia and Kansas City campuses | $36,152 | $759 | $- | $36,911 | $3,189 | $67 | $- | $3,256 | $39,342 | $40,168 |
| **Total** | **$612,454** | **$12,862** | **$-** | **$625,315** | **$69,114** | **$1,451** | **$-** | **$70,565** | **$681,567** | **$695,880** |

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 $207.00. 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.

OPEN - AUD - 1-2  
February 6, 2020
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, 2020 for fees of $695,880.

Roll call vote of Committee: YES NO
Curator Graham
Curator Layman
Curator Steelman

The motion ____________.

Roll call vote: YES NO
Curator Brncic
Curator Chatman
Curator Graham
Curator Layman
Curator Snowden
Curator Steelman
Curator Sundvold
Curator Williams

The motion ____________.