

BOARD OF REGENTS
EASTERN MICHIGAN UNIVERSITY

SECTION: 25

DATE:

June 18, 2013

RECOMMENDATION

**AUTHORITY TO SELECT AND APPROVE AGREEMENT
WITH INTERNAL AUDIT FIRM**

ACTION REQUESTED

It is recommended that the Board of Regents delegate to the President of the University the authority to select an internal audit firm and authorize the Chief Financial Officer and Treasurer to the Board of Regents to enter into a three year contract with the selected internal audit firm.

This delegation is limited in scope to the transaction described below.

STAFF SUMMARY

The Board of Regents Bylaws (4.06 Internal Auditor) provide that the Board shall appoint an Internal Auditor who shall report to the Board's Audit Committee and who shall receive supervision from the Chairperson of the Audit Committee.

The Internal Audit services contract with Grant Thornton LLP was approved by the Board February 24, 2009 and expires on June 30, 2013. An RFP was issued on April 3 seeking proposals and qualifications of firms to perform internal audit services for the University. Five firms responded to the RFP. On May 21st and 22nd, each of the firms presented their proposals and answered questions from a review committee consisting of Regent Webb (Chair of the Board's Audit Committee), CFO/Board Treasurer John Lumm, CIO Carl Powell, Associate Provost Jim Carroll, Purchasing Director Dean Backos and Andrea Jaeckel and Todd Ohmer of the finance office.

Based on the presentations and interviews as well as the firm's written proposals, it is recommended that Eastern Michigan University enter into a contract with the internal audit firm most appropriate to meet the needs of Eastern Michigan University and that the Board delegate the authority to President Martin to select the firm and authorize the Chief Financial Officer and Treasurer to the Board of Regents to enter into a three year contact with the firm.

FISCAL IMPLICATIONS

The cost for the Internal Audit services is included in the recommended FY 14 General Fund operating budget in Section 22.

ADMINISTRATIVE RECOMMENDATION

The proposed Board action has been reviewed and is recommended for Board approval.

University Executive Officer
Gloria A. Hage

Date