

E- 5. POLICY ON THE SELECTION OF EXTERNAL AUDITORS

As an integral part of its fiduciary responsibilities, the Board of Trustees of Auburn University deems it important that an independent, qualified external accounting firm report annually as to the fair presentation of the University's financial statements. In addition to a formal written report, the external auditors shall meet with the Audit Committee of the Board of Trustees on a yearly basis to report audit findings and present and discuss other matters of concern.

The University, as a public entity, should review periodically and determine that its best interests continue to be served relative to pricing and quality of its audit services. In an effort to ensure effective periodic reviews of this important relationship, Auburn University will consider the need for formal proposals at the end of each five-year audit cycle. If a need is determined, formal proposals will be solicited from qualified public accounting firms in accordance with the following guidelines:

1. Obtain the Audit Committee's approval for a plan to seek proposals for the audit contract.
2. Identify members of the management selection team.
3. Draft a request for Statement of Qualifications (SOQ).
4. Identify the auditing firms to whom the request for SOQ will be sent.
5. Evaluate SOQs and select the firms to receive a Request for Proposals (RFP).
6. Draft the RFP and evaluation criteria.
7. Mail RFP and information about the institution to selected firms.
8. Receive and review responses.
9. Hold firm interviews and oral proposal presentations.
10. Evaluate proposals and select finalist(s) to recommend to the Audit Committee.
11. Decision made by Audit Committee and notification provided to firms.

ADOPTED: August 20, 1993

REVISED: June 11, 1998

REAFFIRMED: June 19, 2009