Members, Audit Subcommittee:

RETAiN BKD, LLP FOR AUDIT OF FiNiNCiAL STATEMENTS FOR
FiSCAL YEaR 2012-13

Recommendation: that the Audit Subcommittee retain BKD, LLP for the audit of the University of Kentucky’s financial statements for the year ending June 30, 2013 and authorize the Vice President of Financial Operations and Treasurer (Treasurer) to execute the Engagement Letter.

Background: BKD, LLP was selected as the University’s independent auditor as part of a competitive bid proposal in fall 2007. The initial contract period was a term of four years with up to four additional one-year extensions through fiscal year 2014-15.

The Treasurer recommends extending the contract for fiscal year 2012-13. The Treasurer would be authorized to negotiate the Engagement Letter based upon satisfactory service to date and an appropriate negotiated price for fiscal year 2012-13.

The current engagement fees total $336,600. The engagement of BKD, LLP for fiscal year 2012-13 will be similar to the current year and include the following services:

- audit of the basic financial statements of the University and its affiliates for the fiscal year ending June 30, 2013;
- audit of the basic financial statements of the University organizational units, UK Healthcare Hospital System; UK Intercollegiate Athletics Department, the Kentucky Tobacco Research and Development Center and WUKY-FM Radio
- Financial reporting as required by the NCAA.

The Engagement Letter will be provided to the Audit Subcommittee at its March 19, 2013 meeting, prior to the start of the fiscal year 2012-13 audit.

Action taken:  ☑ Approved  □ Disapproved  □ Other