

**STUDENT UNION BOARD OF DIRECTORS  
AUDIT COMMITTEE MEETING MINUTES  
April 5, 2016 at 4:00pm in Student Union Main, Meeting Room 6**

**Members Present:** Rose Lee, Michael Daniels, Sonja Daniels, Ninh Pham-Hi  
**Members Absent:** None  
**Guests:** Cathy Busalacchi, Amy Guerra-Smith, Lisa Wilson, Matt Giorgio

**Call to Order**

Michael Daniels called the April 5, 2016 Student Union Board of Directors Audit Committee Meeting to order at 4:10pm in the Student Union Meeting Room 6.

**Roll Call**

Michael Daniels asked Amy Guerra-Smith to do a visual roll call. Amy Guerra-Smith noted that she completed a visual roll call.

**Approval of APRIL 5, 2016 Agenda**

Michael Daniels asked for any changes needed to the APRIL 5, 2016 Audit Committee Agenda. Cathy Busalacchi requested to add an action item titled "Update Audit Committee Charter".

**Rose Lee moved to approve the April 5, 2016 Audit Committee Agenda with the requested change.**

**Ninh Pham-Hi seconded the motion.**

**VOTE ON THE MOTION: UNANIMOUS MOTION PASSED.**

**Approval of Meeting Minutes from SEPTEMBER 8, 2015**

Michael Daniels asked for any changes needed to the SEPTEMBER 8, 2015 Audit Committee Meeting Minutes.

Ninh Pham-Hi asked to have the second sentence in the fourth paragraph revised. Ninh Pham-Hi also commented that meeting minutes should really not be as detailed. Kristin Kelly and Cathy Busalacchi commented on the benefit of including details. The Committee members held a lengthy discussion about the level of details that should be included in the minutes.

**Rose Lee moved to approve the September 8, 2015 Audit Committee Meeting Minutes with the requested changes.**

**Sonja Daniels seconded the motion.**

**VOTE ON THE MOTION: UNANIMOUS MOTION PASSED.**

**Agenda Items:**

- 1. Review of RSM US LLP Engagement Letter for FY 2015-16 Financial Audit**  
**ACTION ITEM: Approval of RSM US LLP fees for FY 2015-16 Financial Audit**  
Matt Giorgio of RSM (formerly McGladrey) gave the Audit Committee members a brief overview of the Engagement Letter for the FY 2015-16 Financial Audit. Mr. Giorgio noted that the letter presented is a draft version as there was an auto-correcting error and noted that "RMS" should read "RSM". Mr. Giorgio noted that RSM does not test 100%

but rather a sampling and that their method is not designed to detect errors. Mr. Giorgio noted the audit base fee increased by 3% from the prior year. The agreement also includes the base fee and any indirect costs. The next letter in the packet explained the audit time line. Mr. Giorgio noted that RSM is scheduled to be back the in the beginning of June for one week and then again in August for two weeks to complete the year-end audit field work. Ms. Wilson also noted that the engagement letter, if agreed upon, will need to be signed by the Chair of the Audit Committee, Cathy Busalacchi, and Kristin Kelly.

**ACTION ITEM: Approval of RSM US LLP fees for FY 2015-16 Financial Audit**  
**Ninh Pham-Hi moved to approve the RSM US LLP fees for FY 2015-16 Financial Audit.**

**Sonja Daniels seconded the motion.**

**VOTE ON THE MOTION                      UNANIMOUS                      MOTION PASSED.**

**2. Auditor’s Responsibility**

Lisa Wilson provided the Audit Committee members a detailed account of the Auditor’s Responsibility. Ms. Wilson noted that this is a two way communication but the Auditors need to be independent. Ms. Wilson noted that the key items for an accurate audit include: communication, independence, audit planning process and internal controls. Ms. Wilson noted that the preliminary field work will begin June 6<sup>th</sup>. Then RSM will return on August 22<sup>nd</sup> to finish so that the draft report will be ready to be approved by the Board in September. An inquiry was made about the rotation of audit team members. Ms. Wilson noted that the team members are the same but the partner rotates every three years. Mr. Pham-Hi noted that it is the recommendation of the Chancellor’s Office that the audit team members rotate every so often.

**3. Update Audit Committee Charter**

**ACTION ITEM: Approval of Update Audit Committee Charter**

Cathy Busalacchi informed the committee members that the Audit Committee charter membership and quorum requirement need to be updated. Ms. Busalacchi noted that because of the membership and quorum requirements continually cause quorum issues with scheduling. Ms. Busalacchi noted that the current membership requirement states “at least 2 other members from SUBOD (voting)” be changed to “at least one other member from SUBOD (voting)”. Ms. Busalacchi also noted that the current quorum requirement is “at least three voting members present, at least one of whom must be a student member unless waived by Chair” and requested to have the charter quorum requirement changed to read, “Quorum shall consist of a minimum of 2 voting members present, at least one of whom must be a student member”.

**Rose Lee moved to approve the revisions to the Audit Committee Charter as stated above.**

**Sonja Daniels seconded the motion.**

**VOTE ON THE MOTION:                      UNANIMOUS                      MOTION PASSED.**

**Meeting Adjournment**

Michael Daniels asked for any other business to conduct. Seeing no other business to conduct, Michael Daniels noted that the **April 5, 2016 Audit Committee meeting was adjourned by unanimous consensus at 4:54pm.**