

**STUDENT UNION BOARD OF DIRECTORS  
AUDIT COMMITTEE MEETING MINUTES  
For the Meeting of May 2, 2019 at 9:15am  
Student Union Main, Meeting Room 5**

**Members Present:** Ariadna Manzo, Rose Lee, Ninh Pham-Hi, Sonja Daniels, Joseph Sandoval-Rios  
**Members Absent:** None  
**Guests:** Matt Giorgio, Lisa Wilson (by telephone conference), Cathy Busalacchi, Amy Guerra-Smith, Cedric Woolfork, Kim Hagens

**I. Call to Order**

Rose Lee called the May 2, 2019 Audit Committee Meeting to order at 9:25am in Student Union Meeting Room 5.

**II. Roll Call**

Rose Lee asked Amy Guerra-Smith to do a roll call. Amy Guerra-Smith noted that she did a visual roll call.

**III. Approval of May 2, 2019 Agenda**

Rose Lee asked for any changes to the May 2, 2019 Audit Committee Agenda. Ms. Lee requested to remove agenda item ‘Approval of Audit Committee Chair and Vice Chair’. Ms. Busalacchi requested to add an agenda item titled, CSU Audit Update. Mr. Giorgio requested to update item V. B. to Auditor’s Required Communication.

Ms. Lee asked for a motion to approve the May 2, 2019 Audit Committee Agenda with the requested changes.

**Joseph Sandoval-Rios moved to approve the May 2, 2019 Audit Committee Agenda with the requested changes.**

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

**VOTE ON THE MOTION: 5-0-0 MOTION PASSED.**

**IV. Approval of Meeting Minutes from SEPTEMBER 11, 2018**

Rose Lee asked for any changes to the September 11, 2018 Audit Committee Meeting Minutes. Seeing no changes, Ms. Lee asked for any objections to approve the September 11, 2018 Audit Committee Meeting Minutes as presented. Ms. Lee noted that there were no objections and that the **September 11, 2018 Audit Committee Meeting Minutes were approved as presented by unanimous consensus.**

**V. Agenda Items**

**A. Review and Approval of RSM US LLP Fee for FY 2018-2019 Financial Audit**

Matt Giorgio of RSM US LLP addressed the members of the Audit Committee noting that the engagement letter was fairly similar to last year's letter. Mr. Giorgio noted that RSM does not test 100% but does a sampling and that their method is not designed to detect errors. Mr. Giorgio also noted that internal controls are reviewed. The next letter in the packet explained the audit time line. Mr. Giorgio noted that RSM is scheduled to be back in June for one week and then again in August for two weeks to complete the year-end audit field work.

Rose Lee asked for a motion to approve the RSM US LLP to perform 2018-2019 Audit as well as the fee of \$50,000 for the FY 2018-2019 Financial Audit.

**Joseph Sandoval-Rios moved to approve the RSM US LLP to perform the 2018-2019 Audit as well as the fee of \$50,000 for the FY 2018-2019 Financial Audit.**

**Sonja Daniels seconded the motion.**

**VOTE ON THE MOTION:**

**5-0-0**

**MOTION PASSED.**

#### **B. Auditor's Required Communications**

Mr. Giorgio provided the Audit Committee members a detailed account of the Auditor's Responsibility. Mr. Giorgio noted that this is a two way communication but the Auditors need to be independent. He noted that the key items for an accurate audit include: communication, independence, audit planning process and internal controls. Mr. Giorgio noted that the preliminary field work will begin in June and the team will then return in August to finish so that the draft report will be ready to be approved by the Board in September.

#### **C. CSU Audit Update**

Ms. Busalacchi informed the members of the Audit Committee that the Student Union recently engaged in an Audit executed by the CSU Chancellor's Office. Ms. Busalacchi noted that the Student Union was cited for seven (7) audit findings whereas the CSU Audit prior to the most recent, there were 26 findings. Ms. Busalacchi noted that two findings are directly related to the University. The first of those two findings is related to a lack of lease agreements on file. Ms. Busalacchi noted that the Student Union will work with the University to get the required lease agreements drafted, signed, and filed with the Chancellor's Office. The second of the two findings is related to the University's lack of sufficient reserve policies and reserve funding. The other findings were property and equipment audits, cash handling activities, vendor master list management, hospitality-related expenditures, and escheatment process.

#### **VI. Meeting Adjournment**

Rose Lee asked for any other business to discuss. Seeing no other business to discuss, Rose Lee noted that the **May 2, 2019 Audit Committee Meeting was adjourned at 9:59am by unanimous consensus.**