

**STUDENT UNION BOARD OF DIRECTORS  
AUDIT COMMITTEE MEETING MINUTES**

**April 14, 2020 at 4:00 pm**

**This was a telecommuting meeting by Zoom Video Conference**

**Voting Members Present:** Cynthia Fernandez-Rios, Ninh Pham-Hi, Jeanne Trang, Sonja Daniels, Branden Parent, Nicholas Ayala  
**Voting Members Absent:** None  
**Guests Present:** Tamsen Burke, David Alves, Amy Guerra-Smith, Kim Hagens, Lisa Wilson, Brianna Turk

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**I. Call to Order**

Cynthia Fernandez-Rios called the April 14, 2020 Audit Committee Meeting to order at 4:04 pm.

**II. Roll Call**

Cynthia Fernandez-Rios asked Amy Guerra-Smith to do a roll call. Amy Guerra-Smith completed a verbal roll call.

**III. Approval of APRIL 14, 2020 Agenda**

Cynthia Fernandez-Rios asked for any changes needed to the APRIL 14, 2020 AUDIT COMMITTEE MEETING AGENDA. Seeing no changes needed, Ms. Fernandez-Rios asked for a motion to approve the April 14, 2020 Audit Committee Meeting Agenda as presented.

**Branden Parent moved to approve the April 14, 2020 Audit Committee Meeting Agenda as presented.**

**Jeanne Trang seconded the motion.**

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

**IV. Approval of Meeting Minutes from SEPTEMBER 10, 2019**

Cynthia Fernandez-Rios asked for any changes needed to the SEPTEMBER 10, 2019 AUDIT COMMITTEE MEETING MINUTES. Seeing no changes needed, Ms. Fernandez-Rios asked for a motion to approve the September 10, 2019 Audit Committee Meeting Minutes as presented.

**Jeanne Trang moved to approve the September 10, 2019 Audit Committee Meeting Minutes as presented.**

**Sonja Daniels seconded the motion.**

**VOTE ON THE MOTION: 4-0-1 MOTION PASSED.**

**V. Agenda Items:**

**a. Acknowledgment of RSM Tax Extension (Lisa Wilson, RSM USA LLP)**

Lisa Wilson informed the Audit Committee Members that RSM notified the Student Union that RSM missed the deadline for filing the Student Union's tax extension for the 990 and 990T form due to a system conversion glitch. Ms. Wilson noted that RSM acknowledges that the error was entirely their fault and they have extended an offer to pay any fees or penalties because of this.

Tamsen Burke added that the Student Union did secure a signed legal document outlining these terms and the letter can be shared with the Audit Committee if the Committee Members wish to review the letter.

Ninh Pham-Hi suggested for RSM to give management a list of actions with a timeline with deadline dates so that way the management has an idea what needs to happen and

when it needs to be done by. Ms. Wilson suggested to set up a meeting to discuss this idea.

Mr. Alves inquired if the deadlines for FY 2020 will be extended by CSU. Mr. Pham-Hi indicated that based on the budget deadline is not changing and the Chancellor's Office is expecting the campuses to submit the draft budgets. Mr. Pham-Hi deduced that based on the budget submission deadline not changing, the likelihood of the audited financial report deadline could change but we do not know at this time.

Mr. Pham-Hi inquired if there were risks associated with the late filing. Ms. Wilson noted that because the Student Union's impeccable filing history on-time, RSM does not foresee any risks to the Student Union because of this.

**b. Review & Approval of RSM USA LLP Fee for FY 2019-2020 Financial Audit Presented by RSM USA LLP**

Lisa Wilson presented the arrangement letter to the Audit Committee Members. Ms. Wilson explained the details within the arrangement letter noting that the arrangement letter identifies what is being audited, what financial statements are included. Ms. Wilson went on to explain that RSM's responsibility is to plan and perform an audit according to generally accepted auditing standards in the U.S. which requires RSM to do planning, risk assessment and decide what office procedures are needed to be performed in order for RSM to conclude that the financial statements are materially correct. Ms. Wilson noted that part of the arrangement letter is that the required communication with the Audit Committee if there is any high-level fraud identified at the senior management level. Ms. Wilson noted that fraud committed at the lower levels would go to the Student Union management team first and then to the Audit Committee Members.

Ms. Wilson noted that RSM maintains their independence with their team members and the firm to ensure there are no conflict of interests.

Responsibilities of management include the preparation of the financial statements the Student Union provides for the audit, identifying and communicating any subsequent events of year end, maintaining strong internal controls, providing audit support to complete the audit, and confirming the Student Union is in compliance of all applicable local laws and regulations.

Cynthia Fernandez-Rios asked for a motion to approve the RSM US LLP to perform 2019-2020 Audit as well as the fee of \$52,500 for the FY 2019-2020 Financial Audit as presented.

**Jeanne Trang moved to approve the RSM US LLP to perform 2019-2020 Audit as well as the fee of \$52,500 for the FY 2019-2020 Financial Audit as presented.**

**Nicholas Ayala seconded the motion.**

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

**c. Auditor's Required Communication Presented by RSM USA LLP**

Brianna Turk provided the Audit Committee members a detailed account of the Auditor's Required Communication letter. Ms. Turk noted that the key items for an accurate audit include communication, independence, audit planning process and making sure internal controls are in place. Ms. Turk noted that RSM does not test 100% but does a sampling but their method is not designed to detect errors. Ms. Turk noted that the preliminary field work will begin in mid-June and the team will then return in August to finish the field work. The draft report will be ready to be approved by the Board in September.

**VI. Meeting Adjournment**

Cynthia Fernandez-Rios asked for any other business to discuss. Seeing no other business to discuss, Ms. Fernandez-Rios asked for any objections to adjourn the April 14, 2020 Audit Committee Meeting at 4:53pm. Seeing no objections, Ms. Fernandez-Rios noted that **the April 14, 2020 adjourned at 4:53pm by unanimous consensus.**