

**STUDENT UNION BOARD OF DIRECTORS
AUDIT COMMITTEE**

**MEETING MINUTES for
April 27, 2021 at 4:00 pm**

This was a telecommute meeting by Zoom Video Conference.

This meeting was facilitated through an online Zoom format, consistent with the Governor's Executive Order N25-20, suspending certain open meeting law restrictions.

Voting Members Present: Nicholas Ayala, Sonja Daniels, Cynthia Fernandez-Rios, Ishan Gupta, Ninh Pham-Hi
Voting Members Absent: None
Guests Present: Tamsen Burke, Amy Guerra-Smith, David Alves,

I. CALL TO ORDER

Cynthia Fernandez-Rios called the meeting to order at 4:02 pm.

II. ROLL CALL

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

III. APPROVAL OF APRIL 27, 2021 AGENDA

Cynthia Fernandez-Rios asked for any changes to the 4/27/2021 AUDIT COMMITTEE MEETING AGENDA.

Cynthia Fernandez-Rios requested a motion to add a closed session item after the action items; Ninh Pham-Hi seconded the motion.

Vote on the Motion: 5-0-0 Motion Passed.

IV. APPROVAL OF SEPTEMBER 10, 2020 MEETING MINUTES

Cynthia Fernandez-Rios asked for any changes to the September 10, 2020 Audit Committee Meeting Minutes. No changes were requested.

Nicholas Ayala motioned to approve the meeting minutes as presented; Sonja Daniels seconded the motion.

Vote on the Motion: 5-0-0 Motion Passed.

V. AGENDA ITEMS:

A. Presentation of RSM USA LLP Fee for FY 2020-2021 Financial Audit by RSM USA LLP

Brianna Turk (Auditor, RSM US) to present the Engagement Letter explaining that the letter identifies the scope of the work, responsibilities, and objectives of RSM US LLP.

Ms. Turk noted that RSM US LLP anticipates performing the audit remotely due to COVID restrictions and that the fees are not to exceed \$55,125.

No questions.

B. Auditor's Required Communication Presented by RSM USA LLP

Lisa Wilson (Auditor, RSM US) asked Tamsen Burke to provide an overview of how the year went. Ms. Burke noted that the Student Union Inc. (SUI) operated from July until November on remaining revenues from FY 2019-2020 until the requested fees were released to the SUI in November. She noted that in Fall 2020 the Board of Directors approved a contribution to the University of \$4 million dollars in support of the science building. Also, we are going into an operating agreement June 30, 2021. Lease revenues accounted for in the approved FY 2020-2021 budget were not received to the SUI and were placed in a trust account held on the University side.

David Alves commented that the University made the unilateral decision to retain payments for leases. He felt communication can be improved between campus and the auxiliary going forward when these decisions are made. Expressed some concern that the Auditors may question the reason for the change in the way the payments have been made in the past. Ms. Burke explained that Mr. Faas recognized that there was not transparency in the communication and committed to improving communications.

Nicholas Ayala asked if the revenues are being held by the University in a trust outside the Student Union, and those revenues being ear-marked for the use by the SUI, can this be acknowledged within the audit so the money is accounted for? Ninh Phan-Hi stated that the money is in a trust, not in the name of the SUI, but earmarked for the SUI. Fundamentally it's an issue of alignment and timing between the auxiliary organization and the campus, it's never been an issue about impropriety.

Lisa Wilson addressed the Audit Committee with two questions

(1) Is any member of the Audit Committee aware of any fraud?

The committee indicated no awareness of fraud.

(2) Are there any legal concerns that should be brought to their attention.

Tamsen Burke indicated that she did not have any legal concerns however informed the Audit committee that the wireless contracts associated with the Event Center, indicated the SUI as the landlord. Ms. Burke is working with Strategic Sourcing and Facilities Development and Operations to realign the leases so they reflect the SUI as the lessee, not the landlord.

Brianna Turk spoke to the audit planning and timing as the week of June 14 preliminary procedures, a letter will be issued and returned the week of August 9th - final Audit agreements. The draft Audited Financials will be presented in September.

VI. ACTION ITEMS

A. Approval of RSM USA LLP Fee for FY 2020-2021 Financial Audit by RSM USA LLP

Cynthia Fernandez-Rios asked for any further discussion needed. Seeing no further discussion needed, Ms. Fernandez-Rios asked for a motion to approve the RSM USA LLP Fee for FY 2020-2021 Financial Audit as presented.

**Nicholas Ayala motioned to approve; Sonja Daniels seconded.
Vote on the Motion: 5-0-0 Motion Passed.**

Nicholas Ayala motioned to move the meeting to a closed session; Ninh Pham-Hi seconded the motion.

Vote on the Motion: 5-0-0 Motion Passed.

VII. CLOSED SESSION

Tamsen Burke reported that she presented the voting members of a corporation item during the closed session.

Sonja Daniels motioned to move the meeting to regular session; Nicholas Ayala seconded the motion.

Vote on the Motion: 5-0-0 Motion Passed.

VIII. MEETING ADJOURNMENT

Cynthia Fernandez-Rios asked for a motion to adjourn the meeting at 5:06 pm.

Ninh Pham-Hi motioned to adjourn the meeting; Nicholas Ayala seconded the motion.

Vote on the Motion: 5-0-0 Motion Passed.