

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
AUDIT COMMITTEE
MINUTES
SEPTEMBER 5, 2018**

I. Call to Order

The meeting was called to order by Chair, Ron Clouse at 2:05 p.m.

II. Roll Call

Present	Absent	Staff/Guests
Jonathan Banks, Student Representative (voting)		Michael Good, CohnReznick Partner
Sharon Eichten, University Representative (voting)		Georgina Harris, CohnReznick Director
Debra Hammond, Executive Director (non-voting)		Howard Lutwak, CSUN Director of Internal Audit
Joseph Illuminate, Executive Secretary (non-voting)		
Omar Khalil, Student Representative (voting)		
Jacob Rogers, Student Representative (voting)		

III. Approval of Agenda

M/S/P (J. Banks/J. Rogers) Motion to approve the agenda for September 5, 2018

Motion passes by general consensus

IV. Approval of Minutes

M/S/P (J. Rogers/J. Banks) Motion to approve the minutes of May 03, 2018.

Motion passes by general consensus

V. Chair's Report

None

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VI. Action Items

A. Fiscal Year 2017-18 Audit Report

M/S/P (O. Khalil/J. Banks) Motion to accept the 2017-18 Audit Report prepared by CohnReznick LLP.

J. Illuminate stated that he was very pleased with CohnReznick's performance throughout the course of the audit. He specifically highlighted the excellent customer service provided by Director, Georgina Harris, CPA, and Camille Talbo. They promptly responded to requests to update the draft audit report. The final draft was ready prior to the date of the Audit Committee.

He also gave recognition to the Accounting & Finance staff for completing all the audit schedules by the required deadline.

Partner, Michael Good and Director, Georgina Harris, presented the highlights of the 2017-18 Financial Audit Report to the committee.

First, they reviewed the Required Communications with those Charged with Governance letter. The purpose of the letter is for CohnReznick "to ensure that the Audit Committee, the University Student Union Board of Directors receive sufficient information regarding the scope and results of the audit to oversee the financial reporting process for which they are responsible".

This letter informed the committee regarding the responsibility for the audit, significant accounting policies, unusual transactions, management judgements and accounting entries, audit adjustments, and any other required communications.

The significant points of the letter can be summarized as follows:

1. USU management is responsible for its financial statements and the audit does not relieve management of this responsibility.
2. The audit is designed to obtain reasonable, but not absolute assurance of detecting errors or fraud.
3. The financial statements are prepared on the accrual basis and no new accounting policies were adopted.
4. CohnReznick found that the USU's methodology for establishing accounting estimates is reasonable.
5. There were no recorded or unrecorded audit adjustments proposed by CohnReznick.

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6. The following points were noted under the Other Required Communications section:
- a. No significant risks or exposures noted.
 - b. No material uncertainties noted.
 - c. No auditor disagreement with management.
 - d. No difficulties encountered in the audit.
 - e. No fraud or illegal acts were noted.

Second, they reviewed the Communicating Internal Control Related Matters Identified in the Audit letter whose purpose is to inform those charged with governance of any deficiencies, material weakness, or significant deficiencies in the USU's internal controls. No deficiencies, material weaknesses, or significant deficiencies were noted.

Lastly, they reviewed the Independent Auditor's Report where the auditors express their opinion in regards to the USU's financial statements. The USU received an "unmodified opinion" which is the highest level of assurance that an audit client can receive. The opinion states that USU's financial statements present fairly, in all material respects, the financial position of the USU as of June 30, 2018.

Motion passes 3-0-0

VII. Announcements

After Michael Good and Georgina Harris left the meeting, the committee discussed if the USU was going to extend CohnReznick's contract since this was the fourth consecutive year they have conducted the USU's financial audit.

J. Illuminate informed the committee that the original Request for Proposal allows the engagement to be extended for an additional five years beyond the initial term. This means that the USU can extend CohnReznick's engagement for at least two more years which the USU intends to do since the USU is very satisfied with their performance.

VIII. Adjournment

The meeting was adjourned by Chair, Ron Clouse at 2:37 p.m.

Respectfully submitted by,

Joseph Illuminate
Associate Director, USU Accounting & Finance