

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE AUDIT COMMITTEE AGENDA
MAY 6, 2024
3:00 P.M.**

SOL CENTER — MOORPARK CONFERENCE ROOM

I. Call to Order

The meeting was called to order Chair, S. Eichten at 3:02 p.m.

II. Roll Call

Present	Absent	Staff/Guests
Alan Agustin Student Representative (voting)	Ashley Shterenberg, Student Representative (voting)	Michael Good, CohnReznick Partner
Sharon Eichten, Committee Chair (voting)		Jackie Richmond, CohnReznick Audit Director
Debra Hammond, Executive Director (non-voting)		Gregory Guajardo, Student Administrative Support Assistant II
Joseph Illuminate, Executive Secretary (non-voting)		
Dr. Edith Winterhalter, AVP, Budget & Strategic Ops (voting)		
Yvonne Yao, Student Representative (voting)		

III. Approval of Agenda

M/S/P (A. Augustin/Y. Yao) Motion to approve the Agenda for May 6, 2024.

Main Motion passes by General Consensus

IV. Approval of Minutes

M/S/P (Y. Yao/A. Augustin) Motion to approve the Minutes for March 27, 2024.

Main Motion passes by General Consensus

V. Chairs Report

Committee Chair, S. Eichten reported that the Board of Directors approved the 990-tax form and it has been filed with the federal and state taxing authorities.

VI. Action Items

A. None

VII. Discussion Items

A. 2022-23 Audit Planning Report

CohnReznick's Partner, Michael Good and Senior Manager, Jackie Richmond explained the Audit Planning Report in preparation for the 2023-24 Financial Audit which will take place during July through September.

The discussion of the Audit Planning Report includes the following points:

- **Services and Deliverables**

- Express an opinion on the USU's financial statements
- Required communications with those charged with governance
- Internal control review
- Preparation of tax information returns

- **Key Members of the Engagement Team**

- Michael Good, Engagement Partner
- Jackie Richmond, Audit Director
- Jordan Cote, Audit Manager
- Jola Tuck, Tax Director
- Alison Johnson, Tax Senior Manager

- **Audit Plan Considerations**

- Understanding and evaluating controls
- Consideration of significant risks
- Key Audit Areas
 - Revenue recognition
 - Classification of net assets
 - Estimates
 - Related party Transactions
 - Internal controls and governance

- **Key Audit Procedures**

- Update understanding of general controls over information systems
- Evaluate the design of internal controls
- Test accounts receivable
- Test the valuation of investments
- Verify the allocation of expenses by functional categories
- On a sample basis, agree revenue and expense transactions to supporting documentation

- Ensure supplementary information complies with Chancellor's Office requirements

- **Cybersecurity Considerations**

- Increased threat of cybersecurity risks
 - Surge and sophistication of cyber attacks
 - Risks to third party vendors
- Audit Considerations
 - Obtain an understanding of IT General Controls
 - Determine the effectiveness of IT General Controls
- Information Security
 - The Audit team will use Converge to transmit documents during the engagement for enhanced security

- **Use of Technology**

- Converge is a software that is CohnReznick's preferred method of sharing electronic information.
- Microsoft Office 365 Email Encryption
- IDEA data extraction software allows CohnReznick to gather and analyze financial information sent by the client.

- **Timetable of Audit Services**

- May - Audit design and planning
- August – Year-end field work
- September – Present drafts of financial statements and execute management representation letter.
- November – Tax information returns filed

- **USU Management responsibilities**

- Presentation of USU financial statements in accordance with generally accepted accounting principles
- Maintain internal controls
- Provide CohnReznick with access to all relevant information
- Compliance with all laws and regulations
- Correct errors to the financial statements if required
- Ensure the accuracy and completeness of all information
- Informing CohnReznick of any suspected fraud

- **Auditor's Responsibilities**

- Present the audit report to the Audit Committee and Board of Directors
- Provide those in charge with governance timely information in regard to the audit

- Promote effective two-way communication
- Express an opinion on the financial statements
- Establish the overall audit strategy and audit plan

- **Accounting & Auditing Updates**

- July 2023 - Financial instruments – Credit Losses (Topic 326)
- July 2024 - Leases (Topic 842): Common Control Arrangements
- July 2026 - Quality Management for an Engagement Performed in Accordance with GAAS

- It was reported by CohnReznick that they do not predict any significant effect to the USU due to these updates.

- **Appendixes**

- CohnReznick highlighted their continuous adoption, of environmental sustainability, social and economic equity, and trusted corporate governance.

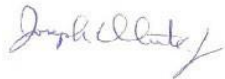
VIII. Announcements

Committee Chair, S. Eichten inquired whether or not any of the student committee members were graduating this month. Student members in attendance reported that none of them would be graduating in Fall 2024.

IX. Adjournment

The meeting was adjourned by Chair S. Eichten at 3:31 p.m.

Respectfully Submitted,



Joseph Illuminate
Associate Director, USU Accounting & Finance