

Friday, September 20, 2019

9:00 AM to 9:30 AM

Telephonic Meeting Origination: Welch Hall 360

Domestic: 866-906-9330 International: 857-288-2645

Participant Code: 8273869

Foundation Audit Committee Meeting Minutes

Members Present: Dr. Cornelia Brentano, David Donell and Lorena Raymundo-Yusef

Guests: Jerome Groomes (Interim Executive Director), Brian Lundeen (Grobstein Teeple), Jinna Matzen (Manager Business Process Improvement, Customer and Board Relations) and Wayne Nishioka (Interim Associate VP Admin and Finance)

I. Call to Order

Meeting called to order by Raymundo-Yusef at 9:02 A.M.

II. Approval of Meeting Agenda

Raymundo-Yusef moved and Brentano seconded. Motion carried.

III. Approval of Minutes of Previous Meeting

January 16, 2019

Due to the delegation of the Audit Committee Chair role and a member of the committee being absent at the meeting on January 16, 2019, David Donell is currently the only standing member on the Board who was present at the January 16, 2019 meeting. Chair Raymundo-Yusef asked Donell if he approved of the meeting minutes presented. Donell approved. Raymundo Yusef seconded based on Donell's approval. Motion Carried

September 18, 2019

Raymundo-Yusef moved and Brentano seconded. Motion carried.

IV. Public Comment

No one was present to represent public.

V. Action Items

- a. Recommendation of Audit Report and Financial Statements to Board of Directors

Brentano addressed the Audit Committee expressing that she felt uncomfortable with the pressure placed on her and other members to approve a document they had very little time to review. The revised audit report was sent to Audit Committee members the night before at 6:17 P.M. Brentano sent an email at that time stating that she was in between meetings and classes and would not have time to dissect the report before the early scheduled phone conference. Brentano requested a summary of changes on the report from CLA. The summary was emailed at 9:02 A.M during the meeting. Brentano went on to note that at the previous Audit Committee meeting held on September 18, 2019, a statement was made that the numbers would most likely not change but they did and the request to rush this through with the changes in numbers, the removal of a finding, and the need for this document to be ran through CLA's proofread department again due to numerous spelling errors made her feel an extension was necessary. Donell agreed noting that before the committee could approve the final draft, the report had to be cleaned up and the principal auditor had to make himself available for committee questions. Raymundo-Yusef and Nishioka requested that the committee reconvene again at 3:00 P.M. which would give them time to work with CLA to address the issues of spelling errors, outline a summary of changes, and get CLA to appear on the telephonic conference line. Committee members agreed to reconvene at 3:00 P.M. and asked that all emailed questions be answered before that time and a final error-free report be provided as soon as possible.

VI. Other Items – None

VII. Adjournment

Raymundo-Yusef moved to adjourn, and Donell seconded. Meeting adjourned at 9:28 A.M.

VIII. Meeting Reconvened 3:00 P.M.

Raymundo-Yusef called the meeting back to order at 3:00 P.M

Members Present: Dr. Cornelia Brentano, David Donell and Lorena Raymundo-Yusef

Members Absent: None

Guests: Jerome Groomes (Interim Executive Director), Jinna Matzen (Manager Business Process Improvement, Customer and Board

Relations) and Wayne Nishioka (Interim Associate VP Admin and Finance)

Raymundo-Yusef and Matzen started discussions noting to Brentano that they were currently reviewing the discrepancies cited in her email sent to all committee members and guests at 2:01 P.M in review of the final draft report sent by CLA at 12:17 P.M. In the email, Brentano urged members and guests to recheck that the necessary changes were made to corresponding values. Raymundo-Yusef, Matzen, and Nishioka noted that Cornelia was correct and important vital numbers changed which should not have been. Nishioka added that the grants and contracts A/R adjustment was made twice in the 12:17 PM draft Statement of Cash Flows by CLA, resulting in the change in numbers. Matzen explained to committee members that she was unable to confirm attendance to this meeting of a CLA representative and this issue would need to be addressed by them. Donell concluded that with this new information and an incorrect report furnished, the committee had no choice but to decline approval. Donell and Brentano further stated that an extension would have to be filed.

Meeting adjourned at 3:12 P.M.

* At 3:25 P.M Matzen, Raymundo-Yusef, and Nishioka spoke to Dave Robydek. Robydek stated he just called into the meeting conference line but missed the committee. A decision was made to re-convene the meeting. Audit Committee members were contacted through phone and email to reconvene the meeting.

IX. Meeting Reconvened at 3:27 P.M.

Raymundo-Yusef called the meeting back to order at 3:27 P.M.

Members Present: David Donell and Lorena Raymundo-Yusef

Members Absent: Cornelia Brentano

Guests: Jerome Groomes (Interim Executive Director), Jinna Matzen (Manager Business Process Improvement, Customer and Board Relations), David Robydek (CLA), and Wayne Nishioka (Interim Associate VP Admin and Finance)

The committee was unable to reach Audit Committee member Dr. Cornelia Brentano and continued the meeting with majority quorum.

Nishioka alerted Dave Robydek to a change in financial numbers made by his colleague, Syed Farhan, that double calculated the adjustments to the Grants and Contracts A/R. Robydek reviewed the information while on the call and agreed that a double entry was made that should not have been. All on the call acknowledged that the error made by CLA was unfortunate but was in part contributed to by last minute emails/requests and an individual stepping in trying to help while Robydek was out of office. Donell noted that he felt that numerical errors and numerous grammatical errors were unacceptable on a final report, Robydek stated that these errors came down to the fact that documents were received late and that everything was being rushed through last minute to meet the

deadline. Robydek continued to stay on the call and all in attendance worked through correcting the Grants and Contracts A/R adjustment and other edits to the narrative, while Robydek corrected them in real time to ensure that members were comfortable with the numbers being presented.

At 4:32 PM all reviews were completed of the final report sent to all committee members and guests from Robydek at 4:20 P.M. The committee and guests were comfortable that the numbers were accurately presented in this last restatement of the draft. While on the phone, three drafts were provided and all in attendance worked together to improve each one until a final draft was proposed that addressed all concerns and accurately reflected financials.

Raymundo-Yusef moved to approve the submission of the draft to the Chancellor's Office and to recommend the Audit Report and Financial Statements to Board of Directors for approval. Donell Seconded. Motion Carried.

Meeting Adjourned 4:36 P.M.