

**The Board of Governors of the Colorado State University System
Audit and Finance Committee Meeting Minutes
Conducted Remotely
September 23, 2021**

Thursday September 23, 2021

Governors present: Russell DeSalvo, Treasurer (Chair); Jane Robbe Rhodes; Armando Valdez; Melinda Smith, CSU Faculty Representative

Administrators and staff present: Jason Johnson, General Counsel/Secretary to the BOG, CSU System; Henry Sobanet, Senior Vice Chancellor for Administration and Government Relations/Chief Financial Officer, CSU System; Lynn Johnson, Deputy Chief Financial Officer, CSU System, and Vice President of Operations, CSU; Susy Serrano, Director of Internal Auditing, CSU System; Margaret Henry, Treasurer, CSU System; Juanita Pena, CFO, CSU Pueblo; Meg Brewer, Director of Budgets, CSU Pueblo; Yvonne Harris-Lot, CSU Global; Bridget Mullen, Director of Budgets and Finance, CSU System; Melanie Geary, Board Liaison. Angie Neilson, Director of Budgets, CSU Fort Collins.

CALL TO ORDER

Governor DeSalvo, Chair of the Audit and Finance Committee, convened the committee at 3:02 p.m. and asked Susy to begin with the Audit Items.

Ms Serrano noted that she was attending the National Conference for University Auditors. She also noted that efforts for a new design of the dashboard. She also highlighted the qualifications of Internal Audit staff. She discussed the two vacant positions in internal audit and noted with the tight labor market they were casting a wider net for their recruitment efforts to fill those positions.

Status of FY 21-22 Audit Plan

Director Serrano reviewed the status of the FY22 audit plan.

Review of Audit Reports Issued

Director Serrano then reviewed the outcome of the seven completed audits in the materials.

State Budget Update

CFO Sobanet introduced the System budget scenarios, noting that things were in pretty good financial shape at the moment.

He also explained the efforts underway to develop new templates for presenting the full budget to the Board.

He discussed the September Forecasts from the state that indicate recovery is underway. He acknowledged that inflation increases were allowing the state to collect and use additional dollars. He noted he was serving on a couple of statewide taskforces examining expenditure opportunities for remaining Federal Pandemic Relief Funds.

**FY 2023 Campus Budget Scenarios with Enrollment Update and Tuition Discussion
CSU Fort Collins**

CFO Johnson reviewed the specifics and the first attempt to show an “all funds” approach on the budget. She discussed ongoing concerns around hiring in key administrative areas including accounting, technology, and HR, as well as challenges of hiring in a timely manner. Ms. Johnson discussed how decisions are made on improvements to auxiliary facilities.

CSU Pueblo

Juanita Pena, and Meg Brewer discussed the draft budget for CSU Pueblo, including proposed tuition increases and proposed salary increases for state classified staff, administrative professionals, and faculty. They also discussed enrollment and its impact on the budget. They also discussed the 50 open positions across campus and the tight labor market which was contributing to that significantly.

CSU Global

Ms. Harris-Lott noted that the campus was tracking towards 90% of its goal and there were no further updates to their budget at this time.

CSU System Treasury Update

Mr. Sobanet discussed the Treasurer transition noting that transition was providing an opportunity cross training and division of duties, spreading the risk and increasing the backup. Treasurer Margaret Henry reviewed the status of the latest bond re-funding, that the Board had approved in August which will lead to over \$5 million in cash savings. She then reviewed the performance of the portfolio and highlighted that for the first two months of the fiscal year there had been \$8 million in gains.

With no further business the meeting adjourned at 3:58 p.m.