

**AUDIT AND FINANCE COMMITTEE – PRE_BOG MEETING
MEETING MINUTES
Conducted Remotely
February 2, 2022**

ROLL

Governors present: Russell DeSalvo, Treasurer; Dr. Melinda Smith, CSU Faculty Representative

Administrators present: Jason Johnson, General Counsel, CSU System; Joyce McConnell, President, CSU; Yvonne Harris Lott, CSU Global; Henry Sobanet, Senior Vice Chancellor and CFO, CSU System; Lynn Johnson, CFO, CSU; Susy Serrano, Director of Internal Auditing, CSU System; Juanita Pena, CSU Pueblo; Meg Brewer, CSU Pueblo; Bridget Mullen, CSU System

CSU System Staff present: Melanie Geary, Board Liaison;

Guests present: Vasilios Gerasopoulos

CALL TO ORDER

Chair DeSalvo called the Board Meeting to order at 9:03 a.m. and asked Director of Audit Serrano to begin.

Ms. Serrano reviewed the status of the Internal Audit Dashboard, which reflected their key performance metrics and provided an update on hiring in the current challenging labor market. The IT Auditor search had been successful, but the other search had not. She explained that Internal Audit was reprioritizing to ensure no critical gaps and they had the ability to use external firms to ensure no critical issues are missed.

Status of FY 21-22 Audit Plan

Director Serrano reviewed the status of the FY22 audit plan noting that she would review it in more depth at the May meeting. Noting they are developing the FY 23 plan and interviewing key Executives in the System.

Review of Audit Reports Issued

Director Serrano then reviewed recent audit reports noting ten (10) audit reports had been issued since the December meeting.

State Budget Update

CFO Sobanet introduced a presentation on the Governor's budget request and the status of budget discussions with the General Assembly noting that the proposed budget at that time did not provide enough dollars to meet mandated costs at the System's two physical campuses. He also noted the work with the State Budget Committee to secure funds to finish Shepherdson and the Capital Development Committee for the Clark building. He also provided an update on work to get all System campuses on the same financial system. CFO Sobanet then introduced each campus to provide updates on four tuition/state funding scenarios: no tuition increases and a 4.6% increase from the state (Governor's proposal); 3% tuition increase and 6% state funding increase; flat tuition and 14% state funding increase; and 3% non-resident tuition with 14% state funding increase (Fort Collins only).

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

CFO Lynn Johnson reviewed how the institution would approach the various scenarios. She also reviewed anticipated new expenses and budget reductions.

CSU Pueblo

Meg Brewer presented the three scenarios for CSU Pueblo noting no major changes since December other than the difference in the melt rate which was 13% and they had budgeted for 9%.

CSU Global

Yvonne Harris Lott reviewed the budget for CSU Global, noting it stood as it was submitted in December.

Two-Year Cash-List – CSU

Lynn Johnson explained that the annual action on the two-year cash list happens in June each year but amendments can come forward at any time, she then explained the items being presented for approval. The Chiropteran Research Facility \$8M (\$6.75M NIH Grant, \$1.25M CSU Match) is a bat vivarium facility, which houses one of the only captive breeding colonies for the use in infectious disease research. The second item was the Westfall Hall abatement and window replacement of \$15.7M due to the presence of asbestos.

CSU System Treasury Update

CFO Sobanet reviewed the performance of the System treasury and refinancing activities noting the balance remained high due to the scoop and toss proceeds. He also reviewed the staffing adjustments because of the Treasurer's retirement.