



**DRAFT** Minutes

**AUDIT COMMITTEE**

Research Corporation of the University of Hawai'i

Tuesday, March 7, 2023

In-Person Location: East-West Center, Burns Hall 4<sup>th</sup> Floor, 4005/4009

1601 East-West Road, Honolulu, HI 96848

**PRESENT**

Audit Committee members: Chair Ken Hayashida, Diane Paloma, Gene Bal.

Board members: Kelli Goodin

Excused: Wally Chin (ad hoc member)

Attorney General's Office: Reese Nakamura

RCUH Staff: Leonard Gouveia, Glenn Yee, Maile Brooks, Kaylee Hull, Kira Higa

**CALL TO ORDER**

The meeting was called to order at 9:10 a.m. by Chair Hayashida. Ms. Hull indicated that no written or oral testimony was received.

**APPROVAL OF MINUTES OF THE OCTOBER 26, 2022 MEETING**

The minutes of the October 26, 2022 meeting were approved as circulated.

**REVIEW OF N&K MANAGEMENT LETTER FOR FY 2022 AUDIT**

Mr. Yee provided a review of the management letter for the Fiscal Year 2022 Audit from N&K CPAs. He stated that this is standard practice that highlights minor findings encountered during the audit and that many of these findings were covered in October's Audit Committee meeting. RCUH did not have any comments on the findings in the summary, but provided a response to the auditors.

**APPROVAL OF N&K CPAS FEE PROPOSAL FOR FISCAL YEAR 2023 AUDIT**

Mr. Yee presented N&K's proposal for the Fiscal Year 2023 Audit. The proposed fee of \$49,500 represents a 5.8% increase from last year. He shared that N&K CPAs did not receive a rate increase during their second year with RCUH and that current rates industrywide are increasing due to staff shortages. Mr. Yee added that the auditor decreased their proposal \$500 from their initial offer and recommended that the committee approve the current proposal. Chair Hayashida also recognized that there is wage inflation on the insurance side. Director Paloma asked for the number of years N&K has been auditing RCUH and Mr. Yee responded that they are in their fourth year. With the proposed 5.8% increase, it averages to an approximate 3% increase per year.

Upon motion made (Paloma), seconded (Bal) and duly carried, the Audit Committee voted to accept N&K CPAs fee proposal for the Fiscal Year 2023 Audit. The committee will bring this motion to the full board for ratification.

**ADJOURNMENT**

Chair Hayashida commended Mr. Yee and Ms. Brooks on receiving a clean audit and getting the proposal approved. The meeting adjourned at 9:15 a.m.

Kaylee Hull  
Executive Administrator

NOTE: Unless otherwise noted in minutes, all motions were passed unanimously.