

Meeting of Audit Committee

**March 20, 2009
Honolulu Community College
Building 6th, 2nd Fl. Conference Room**

Regents in attendance: Chair Jim Haynes and Howard Karr. Excused: Ron Migita.

I. CALL TO ORDER

The meeting of the Audit Committee was called to order at 8:35 am.

II. APPROVAL OF MINUTES

The Audit Committee minutes for meetings held on February 19, 2009 and March 11, 2009, as circulated, were approved.

III. ITEMS FOR ACTION

Acceptance of UH Consolidated Financial Statements and UH Bond System Financial Statements

Cory Kubota, with Accuity, distributed revised drafts of the Financial Statements for the University Bond System, June 30, 2008 and 2007, and the revised drafts of the Consolidated Financial Statements, and other Supplementary Information, including a Management's Discussion and Analysis (Unaudited) June 30, 2008 and 2007.

Mr. Kubota noted that the changes from the prior drafts included a reclassification between "scholarship allowance" and "scholarship expenses." This reclassification did not change the "net assets" reported. No further revisions are anticipated.

In response to a question concerning the bookstore inventory, Mr. Kubota noted that the bookstore management decided to switch to a retail/cost method to determine inventory from the prior average cost method. The new method is more complicated, and there will be a finding of material weakness in the internal controls report.

Regent Karr commented that the current draft appears to address comments he had furnished earlier to Accuity.

VP Howard Todo thanked Accuity and other UH staff for the extra effort to produce these reports.

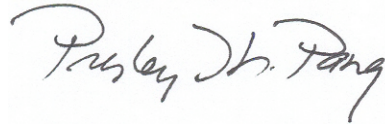
Regent Karr moved for acceptance, seconded by Regent Haynes. The revised reports, as drafted and circulated as of March 20, 2009, were accepted. The Audit Committee will recommend acceptance of these reports by the full Board of Regents.

It is anticipated that the OMB A-133 compliance report and the internal control and business issues report for the Consolidated Financial Statements and the Bond System will be submitted in early May 2009.

IV. ADJOURNMENT

There being no further business, the Committee meeting adjourned at 8:50 am.

Respectfully submitted,

A handwritten signature in cursive script that reads "Presley W. Pang".

Presley W. Pang, Esq.
Secretary of the Board