



Associated Students, Inc. Audit Committee Meeting Minutes

Wednesday, September 20, 2018
11:00am –12:00 pm
Foundation Conference Room

CALL TO ORDER

1. Meeting was called to order at 11:25am by Joice Xiong
2. Quorum check

Members:

Joice Xiong, Audit Committee Chair
Joe Simoneschi, Associate Vice President for Finance & Administration
William (Jim) Priest, Community Member (conference call)
Chau Mai Hua, Student Representative

Other Attendees:

Liz Roosa Millar, ASI Executive Director
Carol Lee, ASI Director of Financial Services
Andy Maffia, CPA, Partner, Aldrich CPAs + Advisors LLP
Kristen Guzman, CPA, Senior Manager, Aldrich CPAs + Advisors LLP (conference call)

3. Approval of minutes: motioned by Joe, seconded by Jim (approved 3-0-0)

ACTION ITEMS

1. 2017-18 External Audit – Associated Students Inc., including Bronco Student Center

Using the executive summary in the board packet, Andy Maffia outlined of the process and the outcome of the audit. Andy stated that ASI received an unmodified opinion with no material weaknesses in internal controls. Aldrich also received full cooperation from ASI management and staff throughout the audit.

Andy pointed out that as a new auditor, sometimes due to lack of a deep understanding of the organization, it may be hard to assess the risk of the organization. Therefore, Aldrich connected with our previous audit firm CLA to conduct some of the risk assessment.

Joe asked about the \$698,884 adjusting entry. Andy explained that it was related to a mandate from the Chancellor's Office that agency revenues and expenses must be reported by ASI (University is not reporting them) since they are not their own legal entity. The adjusting entry restated the net assets of Agency fund.

During the testing of journal entries, Aldrich auditors noted that while in practice one person would initiate and another would post a journal entry, as a best practice, ASI should work with IT to restrict user access, or review the monthly journal entry posting report as mitigating controls. Carol responded that ASI is already working with IT to modify user access.

Andy then walked through the audited financial statements. Joe asked a question about bank account credit risk for over \$250,000. Andy explained that the limit is by financial institution and regardless of the number of accounts with the bank, the limit would be \$250,000 (ASI has four bank accounts with the same bank.) A firm could reduce the risk by placing funds with multiple financial institutions, but it goes back to whether an organization feel if they were at any risk. There were several bank failures during a recession, but there were not deposit default because banks were acquired by other banks or the federal government stepped in to bail out.

New reporting standards reduce the types of net positions down to two—restricted and unrestricted. Compliance is expected by June 30, 2019.

Motion to accept the report: Motioned by Jim, seconded by Joe (approved 3-0-0)

DISCUSSION ITEMS

None

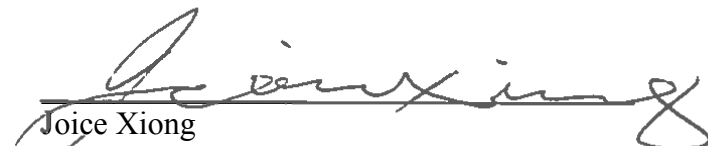
INFORMATION ITEMS

None

ADJOURNMENT

Next Audit Committee Meeting – to be determined

Approved by:


Joice Xiong
Director of Internal Audit & Committee Chair

9/11/19
Date