

Standing Orders

2007-AC

Audit Committee

(Last Approved – June 7, 2007)

1. The Audit Committee shall meet:
 - (a) Once at the beginning of the year to
 - i. Elect a Chair;
 - ii. Approve Standing Orders.
 - (b) To make decisions regarding:
 - i. The removal and/or replacement of the Chair;
 - ii. Changes to Standing Orders.
 - (c) Whenever called for by any member with 72 hours notice or agreement by all members of the committee as a whole.
 - (d) For the first meeting of the Committee in May, September and January, set out a meeting schedule for the following four months.
 - (e) As per meeting schedule described in 1(d).
2. The Chair will assign the task of recording minutes to a member of the Committee.
3. The Audit Committee:
 - a. Shall review the proposed uses and make a decision regarding disbursement of funds for DFUs not listed in section 6(j), no later than August 31 of each year or within 4 weeks of their submission of documents required in Bylaw 6000(1) whichever is later subject to the following:
 - i. The committee shall review the disbursement of a dedicated fee unit when:
 1. The Students' Council representative on that dedicated fee's board is present,
 2. All conditions set out in Bylaw 6000(2) have been met;
 - ii. Shall monitor the use of all Faculty Association Membership Fees and Faculty Membership Fees;
 - iii. Shall annually select the Students' Union auditor and oversee the Students' Union's external audit;
 - iv. Shall review the Students' Union's audited financial statements in advance of their presentation to Students' Council;
 - v. Shall review all alterations made to the Students' Union's budget for the purpose of verifying compliance with Students' Union legislation;
 - vi. Shall, each month, review, for appropriateness and compliance with the Students' Union's budget, the transactions of the Students' Union organizational units;
 - vii. Shall review all expenditures made on Students' Union credit cards;

- viii. Shall investigate any inappropriate transactions or significant variances against the Students' Union's budget;
- ix. Shall monitor the Grant Allocation Committee's allocation of the Campus Recreation Enhancement Fund, the Eugene L. Brody Fund, the Golden Bear and Panda Legacy Fund, and the Refugee Student Fund;
- x. Has the authority to require to appear before it, in a reasonable period of time, any Students' Union employee(s) and/or member(s) of the Executive Committee.

4. The Chair:

- (a) Shall ensure that there is an agenda for each meeting that will include, at minimum:
 - i. Call to order,
 - ii. Items of Business,
 - iii. Adjournment,
 - iv. Confirmation of Next Meeting;
- (b) Shall, after each meeting of the committee, submit to Students' Council a report to appear on the main agenda including:
 - i. any decisions made by the standing committee acting under authority delegated to it by Students' Council,
 - ii. any recommendations made by the standing committee to Students' Council,
 - iii. any standing orders adopted by the committee, and
 - iv. a document titled "Summary of Proceedings" summarizing the activities of the committee at the meeting in question;
- (c) Notwithstanding Section 6(b), if the meeting occurs after that deadline, the Chair shall submit minutes of the Committee as soon as possible so that they appear on the late additions agenda of Students' Council;
- (d) Shall be responsible for booking meeting rooms for meetings of the Committee;
- (e) May institute Robert' Rules of Order if the meeting would benefit from the imposition of structure;
- (f) Shall be responsible for ensuring the security of all financial documents;
- (g) Shall ensure that all communication and decisions involving a dedicated fee unit and the Committee will be forwarded to the Students' Council representative on the dedicated fee unit's board;
- (h) Shall receive monthly summaries of the SU organisational units, and select those that should be reviewed by the Committee. Prior notice must be provided to committee members, and the review is subject to consent of the committee;
- (i) Shall request to be added to the GAC mailing list and to receive all minutes and agendas from GAC;
- (j) Shall provide a monthly oral report to the Committee on the activities of GAC.

5. All Members:

- a. Are required to attend all meetings of the Audit Committee.
Notwithstanding this, members may be absent for three (3) meetings within a given trimester. Any additional absences shall result in the Committee recommending to Council the removal of that member from the Committee;
- b. Shall be considered present should a proxy be appointed and attends as per Bylaw 100, Section 15-5;
- c. Shall contribute to ensuring the security of all financial documents;

APPENDIX A – List of Yearly Reminders

Below is a timeline of events that **MUST** take place with regard to the Audit Committee during the course of any year. They are all ultimately the responsibility of the Chair to enforce, but may be delegated to any member of the Committee, or Administrative Staff.

<i>TRIMESTER</i>	REMINDER	DELEGATE
MAY - AUG	1. Elect a Chair	
	2. Formulate a Meeting Schedule for the first trimester	
	3. Add the Chair to the mailing list of the Grant Allocation Committee	Admin Staff
	4. Send out a reminder to all DFU's regarding disbursement procedure as outlined in Bylaw 6000.	Chair reminds => Admin Staff
	5. Receive a trimester summary of Internal PR posted to Credit Card Statements.	Admin Staff
	6. Review Credit Card Statements	
	7. Review at least four (4) SU business units	
	8. Plan out the review of SU Departments and review existing progress	
	9. Invite the Senior Manager of Finance to present on the previous year's actuals	
SEP – DEC	1. Send out a reminder to all DFU's regarding disbursement procedure as outlined in Bylaw 6000 (in September and in October).	Chair reminds => Admin Staff
	2. By the last meeting for this trimester, move motions to cease funding to any DFU that has not received approval for its funding.	Chair
	3. Receive a trimester summary of Internal PR posted to Credit Card Statements.	Admin Staff
	4. Review Credit Card Statements	
	5. Review at least four (4) SU Departments including Week of Welcome	
	6. Plan out the review of SU Departments and review existing progress	

JAN – APR	1. Make inquiries about the SU Audit and Auditor Selection	Chair
	2. Prepare a presentation with regard to the SU Audit and Auditor Selection.	Chair
	3. Receive a trimester summary of Internal PR posted to Credit Card Statements.	Admin Staff
	4. Review Credit Card Statements	
	5. Review at least four (4) SU Departments including Antifreeze	
	6. Plan out the review of SU Departments and review existing progress	
ON-GOING	1. Forward to Audit Comm. all alterations made to the SU Budget.	Admin Staff
	2. The Chair shall receive monthly summaries of the SU business units, and select those that should be reviewed by the Committee. Prior notice must be provided to committee members, and the review is subject to consent of the committee.	Chair
	3. The Chair shall provide a monthly oral report to the Committee on the activities of GAC.	Chair

APPENDIX B – Mandate Translation

Below is a list of some of Audit Committee's Mandates, and a literal translation put into procedures that should be conducted by the Committee. This information is not complete, and shall remain a working progress across the years until completion.

1. Review of Dedicated Fee Units (DFUs)

- a. The Students' Council member serving as the representative on the DFU's recipients Board of Directors should be regularly updated on any concerns or decisions regarding the DFU.
- b. The Agenda item for a DFU disbursement shall appear as follows:
 - “*[Organization] Disbursement (Guest: [Name])*
 - i. *Approval of the [Organization] Disbursement*
 1. *Review Audited Financial Statements*
 2. *Verify Authenticity by Phone Call*
 3. *Review previous and present Budget*
 4. *Q & A*”
- c. DFUs are funds collected by the Students' Union specifically dedicated to the support of an organization. Audit Committee shall review and make an

approval decision on the disbursement of the dedicated fees received by the following organizations:

- i. Alberta Public Interest Research Group (APIRG);
 - ii. First Alberta Campus Radio Association (FACRA);
 - iii. Gateway Student Journalism Society (Gateway); and
 - iv. Student Legal Services of Edmonton (SLS).
- d. A dedicated fee can only be disbursed once it has been approved by the Committee. The Committee may decide not to approve the fee if the following are not provided:
 - i. final Audited Financial Statements for the previous fiscal year (the Chair shall confirm the validity of these statements);
 - ii. a budget that details how the funds will be spent in the coming year;
 - iii. budgets and actuals for at least two years prior; and
 - iv. evidence that the organization is fulfilling its mandate as described in Bylaw 6000.
- e. To approve a disbursement, the Committee must be satisfied with the submissions in (d) and convinced that the organization is fulfilling its mandate.
- f. The Committee shall make a disbursement decision within four weeks of receiving the documents outlined in (d).
- g. Notwithstanding point (f), the Committee is not obligated to make a disbursement decision on any dedicated fee prior to August 31st of that session.
- h. Notes:
 - i. FACRA receives monthly disbursement of their dedicated fee from the Students' Union. They are required to make a submission for their disbursement prior to December 1st of the session. If a submission has not been made by this date, their payments shall be stopped (effective January 31st) subject to a motion made by Audit Committee to that effect; and
 - ii. All submitted packages regarding dedicated fee disbursement shall be stored in the Students' Union office.

2. Review of Faculty Membership Fees (FMs)

- a. All concerns outside of the finances with regard to FMs and FAMFs shall be dealt with through the Vice-president Academic (VPA). Notwithstanding, The VPA should be made aware of all concerns with regard to these fees.
- b. FMs are the fees that support Faculties in academic pursuits. Currently the following faculties have a Student Fund (FMF)
 - i. Faculty of Engineering; and
 - ii. Faculty of Law.
- c. The Student Fund is managed by a Faculty-formed committee (see Bylaw 8400). This committee has the responsibility of submitting to Audit Committee a yearly report indicating the following:
 - i. The current composition of the Student Fund Committee;
 - ii. A detailed breakdown of what the Student Fund was spent on in the previous year;

- iii. How the Student Fund was administered and how decisions came about; and
 - iv. A recommendation to continue/stop the Student Fund.
- d. Audit Committee shall review the yearly report in (b) and ensure that the fund was spent only on academic purposes.
- e. All submitted reports shall be stored in the Students' Union office.

3. Review of Faculty Association Membership Fees (FAMFs).

- a. FAMFs are the fees that support different Faculty Associations (FAs) across campus. Currently, existing FAs which collect FAMFs include:
 - i. Engineering Students Society (ESS):
 - ii. **Augustana Students' Association:**
 - (a) They prepare a proposed Budget and receive a yearly Audit;
 - (b) They are mandated "to ensure a high quality university experience for Augustana students through innovative and responsible representation, advocacy, and the provision of services and activities";
 - (c) Their election process is the same as that of the SU including the bi-elections; and
 - (d) They prepare Budgets and Audits and are willing to submit them by January 31 of each year.
 - iii. AUFSJ:
 - iv. Nursing (to come):
 - v. Business (to come):
- b. These FAs are tasked with the responsibility (and should be reminded of said responsibility) of providing Audit Committee with a package consisting of:
 - i. past and projected budgets;
 - ii. past actuals; and
 - iii. Audited Financial Statements or a bank statement as of the closing of the fiscal year.
- c. Audit Committee shall review submitted packages ensuring that the Faculty Associations are meeting their specific mandates and being fiscally responsible. After a review, these packages shall be stored in the Students' Union office.

4. Review of Students' Union Departments:

- a. The purpose is to review for appropriateness and compliance with the Students' Union's budget, the transactions of different departments
- b. A review should be conducted during a session on at least the following:
 - i. Week of Welcome (Dept. 714), at the first meeting following the availability of the September actuals for that department;

- ii. Antifreeze (Dept. 765) at the first meeting following the availability of the January actuals for that department; and
 - iii. all of the departments classified in the budget as services or businesses.
 - c. The Committee shall review the profit and loss statements of the units listed in (b) and should concerns be raised, appropriate staff shall be invited to answer questions regarding financials and operations.
- 5. Review of Audit:** The committee shall review, with the help of senior management if necessary, the audited financial statements of the Students' Union. The focus of this review shall be on ensuring congruencies between budgeted amounts and actual amounts, reasons for differences, and marked differences from year to year. If the audit passes the inspection of the committee, a motion shall be made to approve the audit. Because of the detail and breadth of the financial statements, no less than two meetings should be devoted to this review process.
- 6. Selection of Auditor:**
- a. The selection of the Auditor shall occur after the review of the Audited Financial Statements.
 - b. The VPOF shall be consulted.
- 7. Presentation to Council:** The Chair shall give an oral presentation to Council after the Audited Financial Statements have been reviewed and the Auditor has been selected.
- 8. Reviewing alterations made to the SU budget:** All alterations made by Council, Budget and Finance Committee or the Executive Committee shall be forwarded to the Committee and subsequently reviewed.
- 9. Review of Credit Card statements**
- a. Monthly statements of all credit cards assigned to the SU Executive and Staff are to be prepared into packages:
 - i. Including copies of receipts for all purchases posted;
 - ii. Each expense must be charged to a budget line (which should also be indicated);
 - iii. A trimester summary of transactions from each credit card, posted to Internal PR;
 - iv. Only one copy of this package is necessary; and
 - v. These packages shall be retained by the Chair/Admin Staff till a trimester summary (see 8c) review is complete.
 - b. One member of the Committee shall look through the package for a month looking out for inconsistencies and/or inappropriate expenditures, bearing in mind that the credit cards are provided to "make reasonable expenditures for

which it is not possible, or there is no time to request a purchase order or cheque. In particular, the following should be investigated:

- i. Expenses made on or at a place that services alcoholic beverages, gambling, or any other business that would portray the SU as non-professional;
 - ii. Expenses that have no receipts, especially larger expenses;
 - iii. Large expenses for which no suitable reason is known at that time;
 - iv. Expenses that are not posted to a particular budget line; and
 - v. The overall expense made posted to Internal PR per trimester, per card holder.
- c. Any and all concerns found by a member should be briefly discussed by all members of the committee and suitable action taken to find out more information or mitigate inconsistencies.
- d. Under no circumstances may any member (excluding the Chair) take out these packages (8.a – 8.e) out of the meeting room.

10. Investigation of serious variances between budget and actuals, with regard to any SU unit.

11. Monitoring the Grant Allocation Committees activities with regard to the disbursement of funds.

12. When should we, and when should we not require the attendance by a Manager, or executive.

13. Breach of Contract with the Students' Union

- a. Upon finding that the Students' Union is in breach of a contract, Audit Comm. shall, in no particular order:
 - i. Inform Council and indicate to Council a proposed course of action to remedy or mitigate the breach; and
 - ii. Inform and question the Executive Committee, as soon as reasonably prudent, concerning the circumstances of the breach, its causes, and the actions being taken by the Executive to remedy or mitigate the breach.