

**AUDIT
COMMITTEE**

Wednesday, September 23, 2015

7.00pm

SUB 6-06

AGENDA (AC 2015-05)

2015-05/1 INTRODUCTION

2015-05/1a **Call to Order**

2015-05/1b **Approval of Agenda**

2015-05/1c **Approval of Minutes**

2015-05/1d **Chair's Business**

Approval of Standing Order Template

Please see AC 15-05.01

Please see AC 15-05.02

Approval of Fall Meeting Schedule: Every other Wednesday at 7pm

Please see AC 15-05.03

2015-05/2 QUESTION/DISCUSSION PERIOD

2015-05/3 COMMITTEE BUSINESS

Allocation of FA Financial Report Review

2015-05/4 INFORMATION ITEMS

2015-05/5 ADJOURNMENT

2015-05/5a **Next Meeting: October 7, 2015 @ 7.00pm in SUB 0-55**

COMMITTEE

(Last Approved - DATE)

- 1) MANDATE
- 2) MEETINGS
- 3) MEMBERSHIP
- 4) PROCEDURE FOR ELECTING A CHAIR
- 5) CHAIR'S RESPONSIBILITIES & DUTIES
- 6) MEMBER RESPONSIBILITIES & DUTIES
- 7) PROXIES / GEUSTS
- 8) NON-MEMBERS
- 9) ADMINISTRATION
- 10) RECORDS
- 11) RULES OF ORDER
- 12) STRUCTURE OF SESSIONS
 - a. START-UP MEETING LOGISTICS
 - b. START-UP MEETING ORDER OF BUSINESS
 - c. LAST MEETING ADDITIONAL ORDERS OF BUSINESS
 - d. ADDITIONAL MEETINGS
- 13) ORDERS OF THE DAY
 - a. RIGHT OF SUBMISSION BY COMMITTEE MEMBERS
 - b. ORDER OF ORDERS OF THE DAY
 - c. DEADLINE FOR SUBMISSION
 - d. LATE ADDITIONS
 - e. DEADLINE FOR PUBLISHING
 - f. DEALINE EXEMPTION
 - g. SPECIAL ORDERS
 - h. CHAIR MADE SPECIAL ORDERS
 - i. COUNCIL MADE SPECIAL ORDERS
- 14) STANDING ORDERS
- 15) COMMITTEE RECORDS
 - a. "REPORT TO STUDENTS' COUNCIL"
 - b. REPORT TO BE CIRCULATED PRIOR TO SUBMISSION
 - c. APPROVAL OF "REPORT TO STUDENTS' COUNCIL"
 - d. MEMBERS MAY IDENTIFY ERRORS
 - e. CONTENT OF REPORT TO STUDENTS' COUNCIL
 - f. PUBLICATION
- 16) CONFIDENTIALITY
- 17) MISCELLANEOUS

AUDIT COMMITTEE

(Last Approved - DATE)

1) MANDATE

- 1) The Audit Committee:
 - a) Shall review the proposed uses and make a decision regarding disbursement of funds for DFUs within four weeks of the complete submission of the documents required in Bylaw 6000 2. (1) subject to the following:
 - i. The committee shall review the disbursement of a dedicated fee unit when:
 - a. The Students' Council representative on that dedicated fee's board is present,
 - b. All conditions set out in Bylaw 6000(2) have been met;
 - ii. Should a submission be found incomplete, Audit Committee will inform the DFU in question of any outstanding information that needs to be reported within two weeks of initially reviewing the submission.
 - b) Shall monitor the use of all Faculty Association Membership Fees and Faculty Membership Fees, and approve disbursement of Faculty Association Membership Fees within four weeks of complete submission of all documents required by Bylaw 8200 7. ;
 - i. Should a submission be found incomplete, Audit Committee will inform the Faculty Association in question of any outstanding information that needs to be reported within two weeks of initially reviewing the submission.
 - c) Shall annually select the Students' Union auditor and oversee the Students' Union's external audit;
 - d) Shall review the Students' Union's audited financial statements in advance of their presentation to Students' Council;
 - e) Shall review all alterations made to the Students' Union's budget for the purpose of verifying compliance with Students' Union legislation;
 - f) Shall, each month, review, for appropriateness and compliance with the Students' Union's budget, the transactions of the Students' Union organizational units;
 - g) Shall review all expenditures made on Students' Union credit cards;
 - h) Shall investigate any inappropriate transactions or significant variances against the Students' Union's budget;
 - i) Shall monitor the Finance Committee's allocation of the Campus Recreation Enhancement Fund, the Golden bear and Panda Legacy Fund, and the Refugee Student Fund;
 - j) Has the authority to require to appear before it, in a reasonable period of time, any Students' Union employee(s) and/or members(s) of the Executive Committee.

2) MEETINGS

- 1) Quorum of the Audit Committee shall be four voting members.
- 2) Once at the beginning of the year to
 - a) Elect a Chair;

- b) Approve Standing Orders
- 3) To make decisions regarding:
 - a) The removal and/or replacement of a Chair;
 - b) Changes to Standing Orders
- 4) Whenever called for by any member with seventy-two hours notice or agreement by all members of the committee as a whole.
- 5) For the first meeting of the Committee in May, September and January, set out a meeting schedule for the following months.
- 6) As per meeting schedule described in 2(4).

3) MEMBERSHIP

- 1) Should a vacancy on the Audit Committee occur, then the Committee shall recommend the nomination of additional member(s) to Students' Council at its next meeting.
- 2) Should the Chair of the Audit Committee leave the voting membership of the Committee, the position of Chair shall be considered vacant and a new chair shall be elected at the next meeting.

4) CHAIR'S RESPONSIBILITIES & DUTIES

- 1) Shall ensure that there is an agenda for each meeting that will include, at minimum:
 - a) Call to Order
 - b) Items of Business
 - c) Adjournment
 - d) Confirmation of Next Meeting
- 2) Shall, after each meeting of the committee, submit to Students' Council a report to appear on the main agenda including:
 - a) Any decisions made by the standing committee acting under authority delegated to it by Students' Council
 - b) Any recommendations made by the standing committee to Students' Council
 - c) Any standing orders adopted by the committee
- 3) If the meeting occurs after the Council agenda submission deadline, the Chair shall submit the report of the Committee as soon as possible so that they appear on the late additions agenda of Students' Council;
- 4) Shall ensure that all communication and decisions involving a dedicated fee unit and the Committee will be forwarded to the Students' Council representative of the dedicated fee unit's board.
- 5) Shall receive monthly summaries of the Students' Union organizational 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.
- 6) Shall request to be added to the Finance Committee mailing list and to receive all minutes and agendas from Finance Committee;
- 7) Shall provide a monthly oral report to the Committee on the activities of Finance Committee.
- 8) Shall work with the Speaker and Administrative Assistant to ensure the logistical needs of Audit Committee are met.

5) MEMBER RESPONSIBILITIES & DUTIES

- 1) Members are required to attend all meetings of the Audit Committee.

- 2) Shall be considered present should a proxy be appointed and attends as per Bylaw 100, Section 15-5.
- 3) Should the Chair of the Audit Committee be absent from a meeting of the Committee, the Committee shall elect an interim chair from within its permanent voting membership for the duration of the meeting.

6) PROXIES / GEUSTS

- 1) To appoint a proxy to the Audit Committee, the member thereof must provide a notice to that effect to the Chair of the Committee:
 - a) stating the name and e-mail address of the eligible member of Students' Council who will serve as proxy,
 - b) indicating the duration of the appointment, and
 - c) that is signed by the appointing member of the Committee or e-mailed to the Chair of the Committee no later than two hours prior to the Committee meeting.

7) ADMINISTRATION

- 1) The Administrative Assistant of the Students' Council will:
 - a) Book meeting rooms for meetings of the Committee.
 - b) Book Minute Takers for each meeting of the Committee.
 - c) Structure Agenda's for each meeting based on the Orders of the Day submitted by members of the Committee and any referrals from Students' Council.
 - d) Notify the Committee of Meetings through the Agenda.
 - e) Distribute the Agenda and Minutes to members of the Committee.
 - f) Ensure paper copies of the Agenda are printed for the Chair to bring to each meeting.

8) RECORDS

- 1) If a Minute Taker is not present at the meeting, the Chair will assign the task of recording minutes to a member of the Committee.
- 2) Members of the Committee may amend their comments in the minutes when the minutes are being approved by the Committee.

9) RULES OF ORDER

The Chair may institute Robert's Rules of Order if the meeting would benefit from the imposition of the Structure.

10) ORDERS OF THE DAY

- 1) Right of Submission by Committee Members
 - a) Any voting member of the Audit Committee may submit Orders of the Day to be considered by Audit Committee.
- 2) Order of Business
 - a) Introduction
 - i. Call to Order
 - ii. Approval of Agenda
 - iii. Approval of Minutes
 - iv. Chair's Business
 - b) Question/Discussion Period
 - c) Committee Business
 - d) Information Items
 - e) Adjournment
- 3) Order of Orders of the Day

- a) Orders of the Day shall appear on the Order Paper in the order submitted or as otherwise designated by the Chair.
- 4) Deadline for Submission
 - a) Members shall send all items for each meeting Agenda to the Students' Council Administrative Assistant at a designated time prior to the meeting agreed upon at the first meeting of the committee.
- 5) Late Additions
 - a) Late Additions may be added to the Order Paper, at the discretion of the Audit Committee at the meeting, if the items of business cannot be postponed to a future meeting of the Committee.
- 6) Deadline for Publishing
 - a) The agenda package will be published in the following manner:
 - i. Paper copies will be created and made available in the Students' Union Executive/Administrative Offices, and
 - ii. An electronic version will be placed on the Students' Union web page.
 - iii. The Agenda package will be published no later than 4.30p.m. on the business day prior to the Committee meeting.

11) STANDING ORDERS

- 1) The Standing Orders of the Audit Committee may be amended by a simple majority vote of the Committee, with such changes being reported to Students' Council.
- 2) The Standing Orders of the Audit Committee do not expire, but shall be reintroduced at the Committee's first meeting.

12) CONFIDENTIALITY

- 1) All members shall ensure the security and confidentiality of financial documents, which come into their possession by virtue of their membership on the Audit Committee.

AC 15-05.03

Audit Committee Meetings Fall 2015

Wednesday, September 23, 2015	7.00pm	SUB 6-06
Wednesday, October 7, 2015	7.00pm	SUB 0-55
Wednesday, October 21, 2015	7.00pm	SUB 0-55
Wednesday, November 4, 2015	7.00pm	SUB 0-55
Wednesday, November 18, 2015	7.00pm	SUB 6-06
Wednesday, December 2, 2015	7.00pm	SUB 6-06
Wednesday, December 16, 2015	7.00pm	SUB 6-06

**AUDIT
COMMITTEE**

Tuesday July 21, 2015

7.30 pm

SUB 0-55

ATTENDANCE

NAME	PROXY	PRESENT
Robyn Paches (Chair)		Y
Donald Ademaj		Y
Thomas Patrick	Victoria DeJong	Y
Ahona Mostafiz		N
Ben Angus	Levi Flaman	Y
Sam Cheng		N
Hannah Schlamp		Y
John Stetler (KPMG)		Y
Vanessa Paulencu (KPMG)		Y

AGENDA/MINUTES (ACRONYM 2015-04)

2015-04/1 INTRODUCTION

The meeting was called for KPMG's presentation on SU audit procedure

2015-04/1a Call to Order

Meeting was called to order at 7.39 pm

2015-04/1b Approval of Agenda

PACHES/ADEMAJ move to approve the agenda.

5/0/0

CARRIED

2015-04/1c Approval of Minutes

PACHES/ADEMAJ move to approve the minutes.

5/0/0

CARRIED

2015-04/1d Chair's Business

PACHES

Introduces the guests, John Stelter and Vanessea Paulencu, from KPMG, and gives them the floor to talk

STELTER

Introduces himself as Partner with KPMG, a long-time ago graduate from the University of Alberta, and tells that he is currently working with the Student Union (SU);

Starts his talk by giving handouts to the Audit Committee members and by stating that he would accept questions as he talks;

States that:

Audit will be conducted by KPMG on April 30th, and that one important thing is who you are reporting to; and that there will be opportunities for the Audit Committee members to ask questions and to provide relevant information that will serve to guide KPMG, and that way KPMG's audit will not come as surprise;

Indicates points within the hand-out he distributed;

Says that first thing is risk, and that KPMG starts by understanding what has changed;

Indicates that SU made significant investments in building construction activities, and that has an impact on places KPMG focuses;

States that:

Dollar amounts are made sure to be appropriate; and among other areas is audit in an ongoing basis;

Mentions certain items, as follows:

Audit business risks; cash sales; and SU run business (a number of them) related activities and various operations, in order to manage itself;

States that:

SU has a fair amount of cash, and KPMG makes sure that SU takes care of the cash; inventory is accounted for the various activities; cash and inventories are checked in the year end; and Submart, etc. want to make sure that those area are captured at the year-end; complete ESS of the accounts, and do that in the financial statements;

Says that KPMG looks at all invoices , capital assets acquisitions, etc. and makes sure that they are all recorded;

States that, for risks and controls, they, as auditors trust their management and check everything by asking for and making sure that it makes sense; that they check internal controls, check that all processes are followed; and that everything is happening on an on-going basis;

States that, for financial reporting, 99% of what you have is SU itself; and investments are taken care of to make sure that not all money is in cash but also in stocks and bonds;

States that another area is insurance program, in which there is flow of funds through SU to the program, and that KPMG watches that flow;

States that other matters are in the summary.

States that:

The concept of materiality is a measure of sample sizes or the amount of work; if there are unadjusted matters, a decision in financial statement would change and it would tell the right story, the results there then would not be correct but would be fair; and that KPMG doesn't anticipates these this year;

States that if unadjusted matter is about 10 % or less, or some invoice is not recorded, then KPMG takes care of that.

2015-04/2

QUESTION/DISCUSSION PERIOD

FLAMAN

Asks if there was any in the last 8 years?

STELTER

Answers by stating that there were none, but that last year when the building was financed there was long-term debt, and lot of activities and therefore some mistakes were made;

States that for materiality, KPMG audits to 95 or so percent, in order to have the required level of confidence;

States that for communication strategy they talk to Peter and Mark; they chart out a plan, conduct audit by August and then they get organized here again, when student get ready to start school again; if anything comes out as a result of audit it is concern to them but they don't have that concern; they talk to SU right away and that is their communication plan;

States that, it basically is this handed-out document is all about;

PACHES

Asks, what the internal controls are for inventory and cash;

PAULENCU

Answers by stating that for inventory they can't do anything, and that if there are controls then that has to be set at the year-end if the numbers are right, and that cash will actually be in the flow and therefore internal control will be in the document;

STELTER

States that there are two issues with internal controls, which are: (1) controls will not achieve the objective, and (2) controls are not designed properly.

Explains that even well designed controls, if rules are not followed there could be issues, and it can be like reconciling bank accounts.

States that control points would say: read online and sign off; KPMG thinks of all those kind of things, and SU is a relatively small organization from management control stand-point and therefore is well controlled;

States that a few years ago, when SU was saying that its management was controlled, KPMG was a doing a lot of manual processes for controlling;

ADEMAJ

Asks about education and finances.

PAULENCU

Answers by stating that investments are made by investment makers and ensured if they are consistent.

2015-04/3 COMMITTEE BUSINESS

- 2015-04/3a**
- STELTER talks about the audit procedure with SU
 - STELTER explains about how communication is of essence in order to avoid surprises and explains how audit procedure with SU is conducted and works
 - STELTER and PAULENCU answer questions about internal controls

2015-04/4 INFORMATION ITEMS

2015-04/5 ADJOURNMENT

2015-04/5a Next Meeting: August 4, at 7.30 pm, and will be held at SUB 0-55.

2015-04/5b PACHES/ADEMAJ move to adjourn.

5/0/0
CARRIED

Meeting adjourned at 8.04 pm.

SUMMARY OF MOTIONS

MOTION	VOTES
PACHES/ADEMAJ move to approve the agenda	5/0/0 – CARRIED
PACHES/ADEMAJ move to approve the minutes	5/0/0 – CARRIED
PACHES/ADEMAJ move to adjourn the meeting at 8.04 pm	5/0/0 – CARRIED