



# AUDIT COMMITTEE MINUTES

2012 – 2013 #

Date: February 28<sup>th</sup> 2013

Time: 5.06 pm

In Attendance:

CORY HODGSON (Chair)

GLENN GENSLER

RAPHAEL MLYNARSKI

VICTORIA PHAM

KELSEY MILLS

Excused Absence:

Others in Attendance:

SACHITHA KUSALADHARMA

**1. CALL TO  
ORDER:**

The meeting was called to order by HODGSON at 5.06 pm.

**2. APPROVAL OF  
AGENDA**

HODGSON amended the agenda to include the item “*Updates on audits, FAs, and general audit committee stuff*”.

The amended agenda for *February 28, 2013* approved as friendly.

**3. APPROVAL OF  
MINUTES**

Tabled minutes for *February 21, 2013* approved as friendly.

**4. UPDATES**

HODGSON: Let’s start on the FA status. All organizations are completely compliant except ALES FSA, MSA possibly, and the LSA. All DFUs are compliant. So, we have 11 out of 14 FAs completely compliant. MSA and LSA have also submitted. MSA is in the process of restructuring themselves. LSA has a faculty membership fee which the students have to pay, in order to become a member. ALES doesn’t have a proper FA, and is comprised of several departmental groups which are loosely connected. There are more

issues with the group than not meeting our financial standards.

I have the BSA audit, but not the financial package yet. Regarding engineering, they want a name of a firm as they want to get an audit. I'll ask them to get a financial review, and not an audit.

We need to select our auditor. We'll do that in the next meeting. We'll probably be working with KPMG.

Once we finish the FAs, we'll go into credit card statements.

MILLS: Don't we have to bring a motion to council regarding the auditor?

HODGSON: I don't know. I'll find out about that. We met with the president of the accounting club about doing audits for smaller organizations.

We'll have Thursday at 5.00 pm as the meeting time for the rest of the semester.

## 5. NEW BUSINESS

### Discussion on NUA auditor

HODGSON: I emailed the VP-Finance of NUA, and told her that our committee wanted to know how they found their auditor, and what his relationship to the organization is. I will read out her reply.

Does anybody have any objections to this? The only issue we had about this was on how she found this person from NAIT.

HODGSON moved to approve NUA's financial report.

The motion was seconded by PHAM.

Vote 4/0/1 (*abstention by MILLS*)

*CARRIED*

### Review of CBAS financial report

HODGSON: We have talked with CBAS, ESA, and APSA about getting an audit, and who their auditor is. So, that issue has already been addressed.

The general consensus of the committee was that the budget was expertly prepared, with reasoning for discrepancies and large variances.

HODGSON moved to approve CBAS's financial report.

Vote 4/0/1 (*abstention by MILLS*)

*CARRIED*

## Review of ESA financial report

GENSLER: They are budgeting for a large shortfall of \$20,000.

MILLS: You can't budget a deficit because it's not sustainable. There's no written explanation about it either.

HODGSON: I can see 3 problems here. They should have AGM minutes, there should be actual statements from last year, and they can't budget for such a big deficit.

MLYNARSKI: The auditor says that in her opinion the financial documents are up to par.

HODGSON: She would have audited the last year's budget. They have the Hudson's fundraiser. Furthermore, they have other things which seem like they are income generating items, but there's no estimation. They went on probation for financial reason before. I'll follow up on Dustin on why ESA was on probation.

MILLS: They didn't have a person to do the financial stuff. The books weren't kept. That's why they went on probation.

HODGSON moved to table ESA's financial report till more information on the questions raised was available.

Vote 5/0/0

*CARRIED*

## Review of APSA financial report

HODGSON: I believe they had a faculty member audit their financials. It sounds like he grilled them a lot. I'm quite happy with it.

MLYNARSKI: When they submitted this report, it wasn't completed. This report should be submitted within 6 months of their year end.

HODGSON: A lot of groups have not. That's not a problem. We reviewed them earlier. They weren't good. We sat down with them, and they have redone it.

They have club fee, it's not mandatory to pay. But, to get any of the benefits, you must pay that fee.

Just the fact that they present their budget to their membership is what we are looking for. It doesn't have to be audited.

I emailed on November 2<sup>nd</sup> saying that their report had been due on October 31<sup>st</sup>. They did not know. They hadn't received the forms or they had got lost. We sat down with them and explained what we would like to see in the audit. I received the report on November 22<sup>nd</sup>. The audit was done on December 17<sup>th</sup>.

This is a very in-depth budget, and they have multiple smaller budgets, all their event budgets, statement of income, cash flow statements, statement of income on retained earnings, etc.

The auditor says that he did a high level overview of their accounting practices. He says he didn't do an audit. No investigation has been done. If anyone read the bylaw changes, for organizations that collect a fee, there needs to be an audit. For other organizations that don't collect a fee, something like what has been done here would suffice. I would be more comfortable if they had a financial review done, because this is a high budget organization. I think they should have a FEM where everyone should pay, such that it's more in line and compliant with SU bylaw. Also, it would give us justification to tell them to get an audit done.

MILLS: ESA has that same club fee. In education, pretty much nobody is an official member. In pharmacy, almost 90% are official members.

HODGSON: I would like to see ESA doing that as well. But, in the short term, there are other things they need to sort out.

PHAM: What if we say that if the budget is over "X" amount, you have to get an audit?

HODGSON: That's a good point. There are some problems with that though. Dustin seems to be leading the charge on this. I think it's something council next year will talk about.

There are a bunch of issues that are not necessarily audit issues. They don't have an actual investigation done. That's okay for now. I'd like to see it get done in the future, but it's going to be hard to justify why they should.

HODGSON moved to approve APSA's financial report.

Vote 5/0/0

*CARRIED*

**6. REPORTS** *None*

**7. CLOSED SESSION** *NIL*

**8. NEXT MEETING** *March 7, 2013 at 5.00 pm*

**9. ADJOURNMENT** HODGSON moved that the meeting be adjourned.  
The motion was seconded by GENSLER.

Meeting adjourned at *6.21 pm*.