

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
AUDIT COMMITTEE
MINUTES
MAY 03, 2018**

I. Call to Order

The meeting was called to order by University Representative, Sharon Eichten at 2:32 p.m.

II. Roll Call

Present	Absent	Staff/Guests
Jonathan Banks, Student Representative (voting)	Ron Clouse, Committee Chair (voting)	Michael Good, CohnReznick Partner
Bret Bobenic, Student Representative (voting)		Jonathan Navarro, Accounting Manager
Sharon Eichten, University Representative (voting)		Camille Talbo, CohnReznick, Senior
Debra Hammond, Executive Director (non-voting)		
Joseph Illuminate, Executive Secretary (non-voting)		
Jacob Rogers, Student Representative (voting)		

Debra Hammond arrived at 2:39 p.m.

III. Approval of Agenda

M/S/P (J. Banks /J. Rogers) Motion to approve the agenda for May 03, 2018.

Motion passes by general consensus

IV. Approval of Minutes

M/S/P (J. Banks /J. Rogers) Motion to approve the minutes of January 22, 2018.

Motion passes by general consensus

V. Chair's Report

Ron Clouse reported that he was ill and would not be able to attend the meeting.

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
AUDIT COMMITTEE
MINUTES
MAY 03, 2018**

VI. Action Items

A. None

VII. Discussion Items

A. 2017-18 Audit Planning Report

CohnReznick Partner, Michael Good, explained the audit plan for the fiscal year ended June 30, 2018 audit. Audit fieldwork is expected to begin at beginning of August.

The Engagement Team consists of Michael Good, Engagement Partner; Georgina Harrison, Senior Manager; and Camille Talbo, Senior. Lisa Cummings, Tax Senior Manager, is responsible for overseeing the preparation of the information tax returns.

CohnReznick will be performing the following services:

- a. Audit of the financial statements as of June 30, 2018 and expressing an opinion on the financial statements as well as reporting on internal controls.
 - a. Michael Good emphasized that the USU is responsible for its own financial statements and that the audit does not relieve management or the Board of its responsibilities. In addition, the audit is designed to obtain reasonable, but not absolute, assurance of error and fraud detection.
- b. Prepare the annual informational tax filings for the Internal Revenue Service (Form 990) and the State of California (Forms 199 and RRF-1).

Michael explained that the USU management is responsible for internal control, making financial records available, preparing the financial statements, reviewing audit entries, and filing the tax information returns in a timely manner (among other responsibilities).

The objectives of the audit engagement are to audit the financial statements, communicate best business practices, work with management to issue the financial statements in a timely manner, ensure the Audit Committee and Board are informed about financial reporting matters, and to ensure compliance of the supplemental information with Chancellor's Office requirements.

The audit strategy is to focus on higher risk areas and verify the classification, recognition, and allocation of expenses by functional categories. CohnReznick will evaluate the design of internal controls of key financial cycles e.g. cash receipts and

**UNIVERSITY STUDENT UNION
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE
AUDIT COMMITTEE
MINUTES
MAY 03, 2018**

disbursements and obtain an understanding about general information system controls.

The timetable for the audit is to design and plan from May to July, perform year-end fieldwork in early August, present a draft of the financial statements in mid-September, and issue the final audit report prior to the end of September.

Michael Good provided his annual accounting and audit update. The topic that generated the most discussion was FASB ASU No. 2016-02 Leases. The accounting changes mostly affect organizations that have financial and operating leases. Under current accounting rules, these leases are recorded as expenses. Under the new rules, these leases will be recorded as assets on the Statement of Changes in Financial Position and be depreciated over the life of the lease.

The student members were very engaged throughout the discussion and asked very insightful questions.

B. Committee Member Appreciation

J. Illuminate presented the members of the committee with certificates of appreciation for their service during the 2017-18 fiscal year.

VIII. Announcements

None

IX. Adjournment

The meeting was adjourned by University Representative, Sharon Eichten at 3:22 p.m.

Respectfully submitted by,

Joseph Illuminate
Associate Director, USU Accounting & Finance