

**UNIVERSITY STUDENT UNION  
CALIFORNIA STATE UNIVERSITY, NORTHRIDGE  
AUDIT COMMITTEE  
MINUTES  
SEPTEMBER 05, 2017**

**I. Call to Order**

The meeting was called to order by Chair, Ron Clouse at 2:18 p.m.

**II. Roll Call**

<b>Present</b>	<b>Absent</b>	<b>Staff/Guests</b>
Ron Clouse, Committee Chair (voting)	Jonathan Banks, Student Representative (voting)	Michael Good, Partner, CohnReznick
Bret Bobenic, Student Representative (voting)	Sharon Eichten, University Representative (voting)	Georgina Harris, CPA, CohnReznick
Debra Hammond, Executive Director (non-voting)		Emery Hernandez, Student Administrative Assistant
Joseph Illuminate, Executive Secretary (non-voting)		Howard Lutwak, Director of Internal Audit
Jacob Rogers, Student Representative (voting)		Jonathan Navarro, Accounting Manager

**III. Approval of Agenda**

M/S/P (J. Rogers/B. Bobenic) Motion to approve the agenda for September 05, 2017.

*Motion passes by consensus*

**IV. Approval of Minutes**

M/S/P (J. Rogers/ B. Bobenic) Motion to approve the minutes from April 28, 2017.

*Motion passes by consensus*

**V. Chair's Report**

None

**VI. Action Items**

**A. 2016–17 Audit Report**

M/S/P (J. Rogers/ B. Bobenic) Motion to accept the 2016-17 Financial Audit Report prepared by CohnReznick LLP.

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Michael Good, CohnReznick partner, presented the SAS Letters and audit report to the committee. CohnReznick has issued an unmodified opinion and there were no negative findings. An unmodified opinion is the best opinion that an auditor can confer on a client.

**SAS 114 Letter – Required Communications with those in Governance**

This letter is provided to ensure that the Board of Directors “receive sufficient information regarding the scope and results of the audit...” Michael Good presented the following key points from the letter:

**Responsibility for an Audit**

1. The objective of the audit is to express an opinion on the financial statements and not express opinion on the USU’s internal controls.
2. CohnReznick’s and the USU’s audit responsibilities are communicated annually via the engagement letter.
3. USU management is responsible for the financial statements and the audit does not relieve management of its responsibilities.
4. The audit is designed to obtain reasonable, but not absolute assurance of detecting errors.
5. The audit is conducted with auditing standards accepted in the United States of America.

**Significant Accounting Policies and Unusual Transactions**

1. The financial statements are prepared on the accrual basis of accounting.
2. Significant accounting policies are identified in Note 1 of the audit report.
3. No new accounting policies were adopted and the application of existing policies was not changed during the 2016-17 fiscal year.
4. CohnReznick found the application of the USU’s accounting policies to be reasonable and appropriate.

**Management Judgements and Accounting Estimates**

1. The following were the most significant areas encountered by CohnReznick that involved management judgement or application of accounting estimates:
  - Collectability of receivables
  - Fair value of investments
  - Useful lives of property and equipment
  - Liability for postretirement benefits
  - Allocation of functional expenses

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2. CohnReznick found all estimates to be reasonable

**Audit Adjustments**

1. There were no unrecorded or unreconciled audit adjustments proposed by the auditors.

**Other Required Communications**

1. There were no significant risks or exposures identified.
2. There were no extended procedures performed relating to doubt about the USU's ability to continue as a going concern.
3. There were no disagreements with management.
4. There was no consultations with other accountants.
5. There was no evidence of fraud or illegal acts detected.
6. CohnReznick is independent with respect to the USU.

**SAS 115 Letter – Communicating Internal Control Related Matters Identified in an Audit**

1. This letter is provided to make management aware of any internal control deficiencies, material weaknesses, or significant deficiencies found in an audit. CohnReznick reported that no deficiencies, material weaknesses, or significant deficiencies were found.

**Independent Auditor's Report**

1. CohnReznick issued an unmodified opinion audit report for the year ended June 30, 2017. This completes the audit. There will be a few updates before the final report is issued.

*Main motion passes 2-0-0*

**VII. Discussion Items**

None

**VIII. Announcements**

- The committee congratulated Joe Illuminate and the Accounting & Finance team for the completion of another successful audit.

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- Chair, Ron Clouse, welcomed new student committee members Bret Bobenic, Jacob Rogers, and Jonathan Banks.
- Michael Good will present the audit report to the Board of Directors on September 18, 2017.
- Howard Lutwak informed the committee that the Chancellor's Office would no longer conduct internal compliance audits every three years. Going forward, auxiliary audits will only be conducted on a risk-adjusted basis e.g. petty cash, fixed assets, travel.

**IX. Adjournment**

The meeting was adjourned by Chair, Ron Clouse at 2:48 p.m.

Respectfully submitted by,

Joseph Illuminate  
Associate Director, USU Accounting & Finance