



AUDIT COMMITTEE MINUTES

2014 – 2015

Date: December 18th 2014

Time: 12.01 pm

In Attendance:

UMER FAROOQ (Chair)

JAMES HWANG

SAMER SLEIMAN

ZHAOYI CHEN

Excused Absence:

SHUBHAM GARG

AIMAN ZEINEDDINE

BRENDAN FEDOSKI

KEVIN JACOBSON

Others in Attendance:

REBECCA TAYLOR

JORDAN (Translator for AUFSJ's documents)

SACHITHA KUSALADHARMA

1. CALL TO ORDER:

The meeting was called to order by FAROOQ at 12.01 pm.

2. APPROVAL OF AGENDA

FAROOQ amended the agenda to change the date to December 18 and the time to 12 noon.

SLEIMAN moved to approve the agenda for December 18, 2014 as amended. The motion was seconded by CHEN.

Vote 4/0/0

CARRIED

3. APPROVAL OF MINUTES

SLEIMAN moved to approve the minutes for November 26, 2014 as tabled. The motion was seconded by FAROOQ.

4. ANNOUNCEMENTS FAROOQ: We will go over the financial reviews of the faculty associations (FAs) and the Dedicated Fee Unit (DFU) First Alberta Campus Radio Association (FACRA).

5. OLD BUSINESS ASA (Augustana Students' Association) Financial Review

FAROOQ read ASA's reply to Audit Committees questions.

FAROOQ: They do receive money as an honorarium. They say that the allocation of money under capital projects for their new student center is part of their budget policy and that it's also contained in their strategic plan. They have not gone to a stage of design and planning. The total cost is at least \$10 million. I guess our questions are answered.

FAROOQ moved to approve the Augustana Students' Association's financial review.

The motion was seconded by HWANG.

Vote 3/0/1 (Abstention by CHEN)

CARRIED

6. NEW BUSINESS AUFSJ (Association des universitaires de la Faculté Saint-Jean) Financial Review

The committee went through AUFSJ's financial statements.

FAROOQ: Do they have a FAMF (Faculty Association Membership Fee)?

TAYLOR: No. They have a CATP (Campus Association Transfer Payment).

FAROOQ: You have a budget of \$1600 for agendas, but spent only \$1000. Why was that?

JORDAN: I think these are not up to date.

TAYLOR: That's for this year right?

They don't have the expenses yet.

JORDAN: The money under "Voyage de ski" (Ski trip) doesn't come to us. It's all done by Backside. We don't handle any cash. I don't know whether it should be there at all.

FAROOQ: It should be budgeted for.

JORDAN: I'm actually in-charge of the ski trip. We budgeted \$1700.

FAROOQ: Under "Subvention aux clubs", do the clubs have to apply for it?

JORDAN: They have to apply for it. We look at the health of the club, and how much they need the money. It's on a case by case basis.

SLEIMAN: In your 2013/2014 budget, the amount budgeted is \$83,920. But, the actual amount spent is \$37,383.28. That's a huge difference. There's an even bigger difference in the projected revenue and the actual revenue.

Anyway, as this is last year's budget, there's not much we can do.

FAROOQ: I would still like to know why.

JORDAN: I wasn't on the association last year. But, we have been getting better as an FA over the last couple of years.

FAROOQ: The actual cost for "Sommet de formation" is double the budgeted cost.

TAYLOR: The audit is going to be less concerned about big budget differences, and more about whether money has gone missing.

FAROOQ: We should also ask why the "Promotion" expense is so much less than what they budgeted for. The budget is for \$1000. The actual amount is \$73.35.

SLEIMAN: Looking at your audit, it makes sense to not include your ski trip. In your breakdown, it appears that you guys are losing a lot of money, while looking in your audit, you made \$5000 last year and \$12,000 this year.

JORDAN: Yes. Everyone pays money to *Backside*. There was an option for a cash sign-up. They would write us a cheque, and we would deposit that. It would be added to our final invoice. It would all balance out at the end. For little things, we spend around \$2,500. It's nowhere near \$35,000.

TAYLOR: A lot of the issues you mentioned were problems in the previous year as well.

FAROOQ: Is it because the bookkeeping was bad? Or is it how the money was spent? The differences in the numbers are quite high. The ski trip was like half too.

JORDAN: The ski trip was much smaller last year.

We only take cash in an extreme case. We also offer an early bird discount. That goes against our account with *Backside Tours*. After the trip, we'll get a final invoice if there are damages to the hotel rooms and stuff. That's the only money our association is paying. Other than that, students pay directly to *Backside Tours*.

TAYLOR: These big differences in the numbers are very common with FAs.

SLEIMAN: I think the \$35,000 for the ski trip cancels the big difference in the projected and actual expenses.

FAROOQ: I think it's still good that they are noting the ski trip. They should put it in a note. Only the \$2500 they actually have to pay should be in there.

Even if we take out the \$35000, there's still a big difference for revenue.

SLEIMAN: Does the Students' Union have any food services at Campus St. Jean?

TAYLOR: L'Express does catering.

SLEIMAN: Is there something like the *Daily Grind* there?

TAYLOR: No.

SLEIMAN: It's good to have something like that.

CHEN: The money received from the Dean of Students and the Students' Union is not present in the actual revenue column.

TAYLOR: Maybe that's why there's such a big discrepancy. Probably they got that money late.

FAROOQ: The bookkeeping is really bad. If they add that \$30,000 to the revenue, there wouldn't be such a big difference.

SLEIMAN: For the expenses for the ski trip, they have budgeted \$1500 while Jordan said he budgeted \$1700. There's a \$200 difference.

TAYLOR: I think the executive creates the budget. The person coordinating the event would have his/her own breakdown. It's not a red flag.

Questions to AUFSJ:

(1) Why is the actual expenditure for "Sommet de formation" double the budgeted amount in the 2013/2014 budget?

(2) Why is the actual expenditure for "Promotion" significantly lower than the budgeted amount in the 2013/2014 budget?

(3) Why is \$35,000 budgeted for the ski trip in 2014/2015 when the money doesn't come to the organization? It should be included as a note.

(4) Why is the final revenue \$6,980 when they budgeted for \$73,350 in the 2013/2014 budget?

(5) Why is the money from the Students' Union and the Dean of Students not included in the actual revenue?

FACRA (First Alberta Campus Radio Association) Financial Review

The committee went through FACRA's financial statements.

SLEIMAN: They have salaries totaling up to \$207,000.

TAYLOR: I'm assuming they have at least 1 full time position, and a bunch of other staff positions.

CHEN: What have they done with their office?

SLEIMAN: There is a note about that. There may be some years where they have to buy a lot of equipment which escalates the price.

FAROOQ: Their lease isn't huge.

HWANG: What do they mean by "bad debts"?

CHEN: It's an accounting term. If someone is supposed to pay you, but doesn't, it's considered a bad debt.

SLEIMAN: As I understand, it means money you spend which is not an investment. You don't make money out of it.

FAROOQ: I don't see any issues with this.

SLEIMAN: Yes. It's one of the best.

SLEIMAN moved to approve the First Alberta Campus Radio Association's financial review.

The motion was seconded by CHEN.

Vote 4/0/0

CARRIED

7. REPORTS *None.*

8. CLOSED SESSION *NIL*

9. NEXT MEETING *Not decided.*

10. ADJOURNMENT The meeting was adjourned by FAROOQ at *1.03 pm.*