



SONOMA STATE UNIVERSITY
FOUNDATION

AUDIT COMMITTEE MINUTES

SSU Foundation Audit Committee Agenda
Wednesday September 12, 2018
Conference Room A – Salazar Hall
2 -3pm

Members Present: Randy Pennington (Chair), Herm Benedetti, Sam Brown, Anita Christmas, Sanford Bressick

Committee Staff Present: Amanda Visser, Ian Hannah, Joyce Lopes, Kyle Bishop-Gabriel

Guest Present: Bobby LaCour (tele.)- Aldrich

Committee Staff Absent: Christina Shoptaugh

I. OPENING COMMENTS

Pennington opened the meeting at 2:01pm.

II. APPROVAL OF THE MINUTES – MAY 16 & MAY 31, 2018
(see 9.12.18 meeting packet)

Pennington asked for a motion from members to approve both meeting minutes from 5/16/18 meeting and 5/31/18 meeting.

Motion: To approve 5/16/18 and 5/31/18 minutes.

Action: Unanimously approved both 5/16/18 and 5/31/18 minutes.

III. 17/18 AUDIT REPORT- Aldrich
(see 9.12.18 meeting packet)

Bobby LaCour began with an overview of the Draft Report to the Audit Committee. He confirmed the following:

- Aldrich auditors did what they say they were going to do in the planning meeting on May 16, 2018.

- They rendered an unmodified opinion on the June 30, 2018 financial statements.
- They did not identify any conditions which they considered to be material weaknesses in internal controls.
- Audit areas designated as greater than normal risk have been addressed and resolved to their satisfaction in the context of the overall fairness of the presentation of the financial statements.
- They received the full cooperation of management and staff throughout the Foundation and were kept informed as to developments and plans affecting their audit scope.

LaCour proceeded with his review referencing the letter to the Audit Committee. He noted there were no significant issues found with the financial statements. He noted that overall the financial transactions were straight forward and not complicated.

LaCour did a high level review of the statements of net position in the financial statements covering cash/cash equivalents as well as a review on investments.

LaCour noted that the final version of the financial statements will include more supplemental information than in the past due to the Chancellor's Office (CO) requiring it be part of the report. In the past the information was provided in footnotes but moving forward they want all CSU's to follow the same format to make it easier on the reporting they are required to do.

Pennington requested one minor edit on the Management's Discussion and Analysis as well as an edit in the notes in the financial statements.

Pennington then requested that committee staff leave the room for committee members to discuss freely any issues with Aldrich. Committee staff exited room for their discussion.

Upon committee staff's return to the room, discussion occurred regarding the concern over investment returns and what steps the Investment Committee are taking to improve returns on the Endowment.

Hannah shared with committee that the Investment Committee is currently researching to determine what changes can be made. They are currently working with RVK, a consultant firm, in which one meeting has already occurred to review moving to an OCIO investment model with the possibility of using more of their services to do a review of the Foundation's current Investment Manager, Graystone.

IV. AUDIT COMMITTEE CHARTER REVIEW (see 9.12.18 meeting packet)

Pennington asked committee members if they had any edits they wish to make to the Committee Charter for the annual review. All committee members approved making no changes to the current Charter.

V. OPEN ITEMS

Hannah mentioned to the Committee that based on the revised bylaws, Audit Committee members do not necessarily have to be Board members in order to participate on the committee. Community members are able to sit on committees to provide their expertise.

Visser also informed the committee that the CSU Chancellor's Office Audit team will be returning to their 3 year audit cycle which means SSUF will undergo a compliance audit tri-annually again going forward.


Meeting closed at 3:13pm.



Minutes approved by:

Ian Hannah

Chief Operation Officer and Secretary,
SSU Foundation



Minutes prepared by:

Kyle Bishop-Gabriel
Staff, SSU Foundation