

ASC AUDIT COMMITTEE

Minutes

Via Zoom

2:00 pm :: Thursday, July 30, 2020

Present: Keya Allen (ASI Associate Executive Director), Theresa Harvey (ASC Board member), Pureum Kim (Accounting faculty), Steven Yim (AVP Finance & Admin).

Staff: Raul Castaneda, Ann Ehl.

Guests: Kristen Guzman & Andy Maffia (Aldrich CPAs+Advisors).

- I. CALL TO ORDER
Vice-chair Steven Yim called the meeting to order at 2:02 pm. Quorum was present.
- II. APPROVAL OF MINUTES, 09/11/2019
Ms. Harvey moved, Prof. Kim seconded and motion carried to approve the minutes of the September 11, 2019 ASC Audit Committee meeting.
- III. PUBLIC COMMENT
There was no public comment.
- IV. STANDARD AUDIT COMMUNICATIONS
From Aldrich CPA & Advisors (Aldrich), Andy Maffia, CPA & partner introduced himself and Kristen Guzman, CPA & senior manager. Mr. Maffia said that there were no significant changes to audit standards this year; they will again review financial statements and report using GAAP standards. Aldrich will report back if they find anything of concern. Reports issued will be a financial report, opinion on financial statements, and the single audit compliance required by federal awards and local agencies. The financial statements, compliance on awards and internal controls will be the same as last several years; they will also perform the 990.
- V. TEAM & TIMING
Mr. Maffia reported that the core part of the team will remain the same, with Elsa Romero, Rachelle Jumper and Kyle Miller. Ms. Guzman added that they have been planning with ASC management to work through as the campus went virtual. They have started and prepped for the single audit and have coordinated with project directors. Aldrich will target the Chancellor's Office deadline of September 18, 2020 and meet with both ASC Board of Directors and this Audit Committee in advance of that date.
- VI. NEW STANDARD IMPLEMENTATION
Mr. Maffia stated that there are a couple new revenue standards for grants/contributions and fee-for-service/exchange transactions. With the coronavirus, one of the standards and the exchange portion was delayed until next year; all 23 CSU campuses will begin adopting the

new standards next year. Related to grants, there will be additional work done to check proper documentation.

VII. INDUSTRY UPDATES

Peer review is included in packet; a review of Aldrich by another auditor which must be done every three years (next audit scheduled for fall 2020).

VIII. CONCERNS OR QUESTIONS FROM THE COMMITTEE

Ms. Harvey asked whether there are any substantive changes from last year; Mr. Maffia replied no, except for the coronavirus impacts to the organization. She asked about remote tests; Ms. Guzman answered that a lot of the documentation was scanned, PDFs were provided and video calls were conducted. They have followed up with different staff as necessary, Zoomed with Titan Shops to conduct tests, and conducted third party verifications. Working virtually with screen sharing has helped.

Prof. Kim asked about cost/effort changes related to COVID-19; Mr. Maffia said that they do not anticipate additional costs and that if there were, it would be due to additional work. Mr. Maffia anticipates savings on their part due to less travel. Any changes in costs will be monitored and they will stay with the contract. Ms. Guzman added that additional fees may be related to last year's internal controls found by the internal auditor and the fraud matter. Additional procedures and breakdown of controls will be identified.

Mr. Maffia asked for an audience of the Audit Committee only (no staff). There was no action taken; he asked for feedback from the committee.

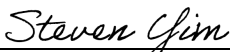
IX. REMINDERS/ANNOUNCEMENTS

- Next Board – Friday 09/11/2020.

X. ADJOURNMENT

Mr. Yim adjourned the meeting at 2:38 p.m.

Approved by the Audit Committee, September 15, 2020.



Steven Yim, Vice-chair