

HUMBOLDT STATE UNIVERSITY SPONSORED PROGRAMS FOUNDATION
AUDIT COMMITTEE MEETING

MINUTES

September 15, 2016
3:00-4:00 p.m.
SBS 405

MEMBERS PRESENT: Joyce Lopes
Peg Blake
Amy Sprowles
Chris Dugaw

MEMBERS ABSENT:

OTHERS PRESENT: Sylvia Shively, Accounting
Denise Bettendorf, Accounting
Chrissie Anderson, Accounting
Steve Karp, SPF
William Cook, SPF
Kacie Flynn, SPF
Nancy Jones, CLA Auditor

I. Call to Order

Joyce Lopes called the meeting to order at 3:03 p.m.

II. Auditor's Report

Nancy Jones, Principal with Clifton, Larson, Allen (CLA), was present to review the results of the audit with the committee. CLA was responsible for auditing the financial statements, as well as responsible for looking at internal controls in regards to Uniform Guidance compliance and the single audit.

CLA reported a "clean opinion" on the financial statements, stating there are no issues to be brought forward. With regards to the Internal Control & Compliance audit there were no significant deficiencies or weaknesses noted at the financial statement level. Looking at prior Internal Controls & Compliance, there was one significant deficiency identified last year. CLA re-tested after the corrective action plan was put forth by management and there were no additional findings.

HSU SPF qualified as a "Low Risk Auditee" for the federal single audit and compliance based on the lack of past audit findings.

As in past years, due to the deadline to submit campus auxiliary financial information to the CSU Chancellor's Office, the Audit Committee will act on behalf of the full board to accept the substantially complete, but still draft version, of the Sponsored Programs Foundation financial statements.

III. Approval of Audited Financial Statements, period ending June 30, 2016
(Attachment A)

Action Item: Chris Dugaw m/s Amy Sprowles “Motion to accept the Audited Financial Statements, period ending June 30, 2016, on behalf of the HSU SPF Board of Directors.” Motion carried unanimously.

IV. Review of Audited 403(b) DC Plan
(Attachment B)

Steve Karp reviewed the results of the 403(b) DC Retirement Plan audit with the committee. Non-student HSU SPF employees qualify after one year of full time employment or two consecutive years of at least a half-time time base. The current contribution rate is 10%. The plan investments are managed by TIAA-CREF and are required to be audited annually. This report requires no action and is being presented for the committee’s review as an informational item.

All significant transactions have been recognized in the financial statements in the proper period. CLA did not identify any material inconsistencies between the other information (Form 550) and the audited financial statements.

CLA made management recommendations to strengthen the internal controls and improve the efficiency of the operations. Based on those suggestions, SPF Management is seeking to engage with a 3rd party fiduciary to help implement and establish some of those actions suggested. SPF will also do an analysis of other options outside of our current plan sponsor to determine if there are better investment opportunities available. In addition, the audit committee recommends the SPF board charge an existing board committee with plan governance for the 403(b) plan. The responsible committee should meet at least annually to review the 403(b) plan objectives, investment alternatives, and results.

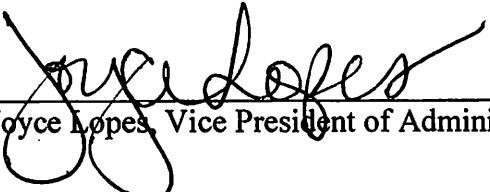
V. Other

Nancy thanked the Foundation as well as Accounting for their excellent cooperation and providing the required materials in a timely manner. Joyce & Steve echoed those sentiments and commended both organizations on a job well done.

VI. Adjournment

The meeting adjourned at 3:44 p.m.

Respectfully Submitted,



Joyce Lopes, Vice President of Administrative Affairs