

POST AUDIT MEMORANDUM

**KWANTLEN UNIVERSITY COLLEGE
STUDENT ASSOCIATION**

Year Ended December 31, 1999

DRAFT FOR

DISCUSSION

Kwantlen University College Student Association

POST AUDIT MEMORANDUM

Year Ended December 31, 1999

1. LONG-TERM FINANCIAL PLANNING

The Association must finalize a long-term financial plan with regards to the repayment of Phase II development debt along with financial considerations relating to other future expansion.

We understand that the finalization of a long-term financial plan is currently in progress.

2. ACCOUNTING SYSTEM

We are pleased that the Association has now provided Mr. Rolando Navarro with the time to better utilize the Simply Accounting system.

The Association's goal should be the timely preparation of accurate, monthly financial statements.

The Capital Asset Fund's assets (i.e. bank transactions and investment account) should also be recorded on a regular basis and should also be included in the Association's internal financial statements.

3. TRANSIT PROGRAM

The transit program generated a net loss of \$7,651 in 1999. The program should be generating a "subsidized" loss of approximately \$2,000 to \$3,000 per year.

As a result, we recommend that the program's financial results be monitored at minimum, on a quarterly basis to ensure the subsidized portion of the program is at a reasonable level.

4. RETURN ON INVESTMENT OF THE ASSOCIATION'S FUNDS

We are pleased that the Association has taken proactive steps subsequent to the year end to ensure that it's funds generate the maximum return with a minimum amount of risk. This is encouraging as for example, in 1999, the Association earned very little return on its Capital Fund bank account.

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5. MONITORING OF FINANCIAL RESULTS OF THE FITNESS CENTRE AND THE CAFÉ LOUNGE LEASING ACTIVITIES

The Association should continue to monitor the financial results of the Fitness Centre and Café Lounge leasing activities to ensure that the operations are profitable.

6. EXECUTIVE BENEFITS

On occasion, certain executive benefits were paid before the individual was entitled to the benefit. For example, tuition fee reimbursements were paid before proof of successful completion of the course was provided.

7. PHYSICAL EVIDENCE OF GOODS BEING RECEIVED IN REASONABLE CONDITION

Generally, the Association's expenditures were well supported with supplier invoices and other related documentation. However, it would be beneficial if the supporting documentation included physical evidence that the applicable goods were received in reasonable condition. The responsible person initialing the related supplier invoice can accomplish this.

8. CAPITAL EXPENDITURES

We are pleased to note that the Association has commenced the preparation of a capital asset subledger. This will further assist the Association in safeguarding its capital assets.

The Association should also establish a capitalization policy whereby amounts of say, \$200 or more, are recorded as a capital asset. Any amounts of less than \$200 would be recorded as a period expense.

9. CASH GENERATING ACTIVITIES

The Association should continue to improve its controls over cash generating activities such as locker rentals, arcade game revenues and photocopying revenues. Please contact us if you wish further assistance in this regard.