

BOARD OF TRUSTEES  
THE CITY UNIVERSITY OF NEW YORK

SUBCOMMITTEE ON  
AUDIT

MINUTES OF THE MEETING  
FEBRUARY 6, 2012

The meeting, which was convened during the Committee on Fiscal Affairs meeting, was called to order at 6:32 p.m.

There were present:

**Committee Members:**

Hon. Peter S. Pantaleo, Chair  
Hon. Rita DiMartino  
Prof. Terrence Martell, faculty member  
Hon. Kafui Kouakou, student member

**Trustee Staff:**

Senior Vice Chancellor and Secretary of the  
Board Jay Hershenson  
Senior Vice Chancellor and General Counsel  
Frederick Schaffer  
Deputy to the Secretary Hourig Messerlian  
Mr. Steven Quinn

**University Staff:**

Chancellor Matthew Goldstein  
Executive Vice Chancellor and Chief Operating  
Officer Alan Dobrin  
Senior Vice Chancellor Marc V. Shaw  
Associate Vice Chancellor Matthew Sapienza  
University Controller Barry Kaufman  
University Deputy Controller Miriam Katowitz

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<b>Cal. No.</b>	<b>DISPOSITION</b>
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The agenda items were considered in the following order:

**I. ACTION ITEMS:**

- A. APPROVAL OF THE MINUTES OF THE MEETING OF NOVEMBER 29, 2011. The minutes were approved as submitted.**

**II. INFORMATION ITEMS:**

**A. 2011 Audit of Auxiliary Enterprise Corporations and College Associations**

University Controller Barry Kaufman stated that this audit report is strictly an informational item on the College Associations, which is the group that receives most of its revenue from student fees, and on the Auxiliary Enterprise Corporations, which is a group that receives most of its revenue through book store commissions, parking, cafeteria, vending and food services and facilities. The Audit firm of Toski & Company, P.C. conducted about forty audits to prepare the 2011 College Association Report, and the 2011 Auxiliary Enterprise report. There are no audit opinions expressed in these reports, however the auditors expressed an opinion on the forty independent and individual audits of the auxiliaries and the associations. These financial statements that have been performed for the associations and the auxiliaries are rolled up into the University's combined statements each year. They are reviewed by KPMG, but in effect they are statements that effectively belong to the associations and the auxiliaries and to their individual boards of directors.

What we have done is to take the independent audits and combine them into a report just to highlight some of the most salient points about that, about each of the audits.

\*\*\*REPORT FROM RONALD TOSKI, DOUGLAS ZIMMERMAN, AND ROB WILLIAMS, TOSKI & CO. P.C.\*\*\*

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In response to a question from Professor Terrence Martell with reference to the citing of three weaknesses in two different institutions, Mr. Douglas Zimmerman noted that his firm would adjust its audit program and audit plan based on these weaknesses, in effect raising the scope of next year's audit.

Trustee Valerie Beal stated that she noticed that there are a couple of colleges that have continuously been cited for weaknesses for the number of years that she has been reviewing these reports.

Chancellor Matthew Goldstein stated that in the auxiliary services area, which is probably the most problematic as there are all different levels of professionalism depending upon the institution and its size, the Central Administration tries to work with the campuses to get them to do the quality assurance that is necessary. He noted that there are still a number of campuses that are continuing to have small work-in-progress issues, and The Office of the University Controller continues to work with these campuses to try to get them to be at the level of the other campuses.

University Controller Kaufman added that all of the auxiliaries have a board of directors organization and the board of directors usually consist of administrative staff, faculty and students who are involved in the distribution of funds that come in. He reiterated that there is variability in terms of the staffing and skill sets, and noted that his team meets with the college auxiliaries and the associations twice a year, and also provide their representatives with training in accounting and appropriate procedures, especially prior to a mid-year close and an end of year close. Over the years his office has seen some improvement in this area, but there still is some way to go and they will continue to monitor and work closely to the extent possible with the colleges in question.

The Subcommittee on Audit meeting section of the Committee on Fiscal Affairs was adjourned at 6:53 p.m.