

Item #1: Minutes of the May 3 Audit Committee Meeting

Members Present

Omar Passons, Chair
Ed Hidalgo
Marlene Taylor
Tracy Sandoval
Rolando Charvel

Staff Present

Peter Callstrom
Andy Hall
Chris Burlaka

All reports, memoranda and letters contained in the agenda or distributed at the meeting shall by this reference become part of the original minutes.

The meeting was called to order by Omar Passons, at 1:07pm at SDWP with a quorum.

Public Comment

None

The following items were approved

1-05/03/2017 - Item 1

FY 2015-2016 Financial Statements/Single Audit Report

Approved SDWP FY 2015-2016 Financial Statements/Single Audit Report.

Motioned, Seconded, Carried Unanimously (Sandoval/Charvel)

DISCUSSION

SDWP's audit partner Brad Welebir from Rogers, Anderson, Malody & Scott reviewed the FY16 financial statements and single audit report with the Audit Committee. Brad discussed the report on compliance for each major federal program; report on internal control over compliance; and report on schedule of expenditures of federal awards required by the uniform guidance.

The Audit Committee members discussed the financial health, opportunities and risks of SDWP. Members also discussed the importance of developing clear roles, responsibilities, and guidelines

for the Audit Committee, and asked SDWP staff to develop a draft audit charter for discussion and approval at a future meeting.

The Audit Committee also discussed the importance of having an additional third party test SDWP's internal controls. SDWP shared that the County of San Diego, the State of California Employment Development Department, the US Department of Labor, and other oversight agencies annually and/or monthly test internal controls and audit program and financial files. Audit Committee members discussed the extent and scope of these reviews with SDWP staff and asked SDWP staff to explore options for a CPA firm to conduct a review of internal controls. Audit Committee members asked for this scope to be discussed at a future meeting.

Adjournment

The meeting was adjourned at 2:20 pm.

Next meeting: June 12, 2017