

# Workforce Partnership Audit Committee Meeting Minutes: January 23, 2020

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## **Members Present**

Rick Vaccari (Chair), Rolando Charvel, Tracy Sandoval

## **Staff Present**

Chris Burlaka, Andy Hall

**Location:** 9246 Lightwave Avenue, Suite 100, San Diego CA 92123

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 Rick Vaccari at 10:07am.

**Non-Agenda Public Comment:** None

## **Action Items**

*Item 1: Minutes of the October 23, 2019 Audit Committee Meeting*

Committee approves the meeting minutes.

*Moved (T. Sandoval), Seconded (R. Charvel), Carried unanimously.*

*Item 2: Audit Committee Charter*

The committee was presented with the final draft of the Audit Committee Charter, developed at the request of R. Charvel and T. Sandoval. R. Charvel and T. Sandoval have reviewed the charter and provided feedback between the October 2019 and January 2020 Audit Committee meetings. R. Vaccari noted that the committee can continue to update the Charter as needed.

Committee approved the Audit Committee Charter.

*Moved (T. Sandoval), Seconded (R. Charvel), Carried unanimously.*

## **Information Items**

*Item 3: FY2020 Insurance Summary*

C. Burlaka, Controller, provided an insurance update in which coverage levels increased or remained the same from FY2019 to

FY2020. In addition, the analysis provided a snapshot of current coverages compared to industry standards. C. Burlaka confirmed all coverages met or exceeded industry standards. C. Burlaka confirmed no claims were filed in FY2019 or FY2020 against SDWP's insurance policies. T. Sandoval requested C. Burlaka confirm the audit committee members are covered under the D&O policy. A. Hall, Chief Impact Officer, highlighted cyber security as a significant area of exposure for the organization, also an area of consideration for the enterprise-wide risk assessment. SDWP will continue to monitor the all risks to ensure SDWP has sufficient insurance coverages.

*Item 4: Fraud Update for Audit Committee*

C. Burlaka provided an update regarding the three fraudulent SDWP checks that were submitted in September and November of 2019 for payment to one individual. The checks had been altered, including a fraudulent payee, check numbers, amounts and signatures. C. Burlaka confirmed, the payee was not a SDWP current or former employee or a contractor. The positive pay security feature stopped payment, and Union Bank reported the matter to the police department.

*Item 5: Enterprise-Wide Risk Assessment Status*

The Enterprise-wide Risk Assessment (ERA) will be completed by the Audit Committee's next meeting, wherein the results will be presented. R. Vaccari emphasized the importance of defining the Income Share Agreement operational risk profile as it is a new program. A. Hall responded in the affirmative, addressing the development of an independent entity to manage the ISA fund and collections. The independent entity will be included in the ERA report as a mitigation strategy. The committee also discuss having a standing item related to the ISA project to keep the audit committee informed on developments.

*Item 6: Confirm Next Meeting*

The committee agreed upon March 18<sup>th</sup> 10—11:30am for the next Audit Committee meeting.

**Adjournment:** The meeting was adjourned at 10:40 am.

**Next Meeting:** March 18, 2020