

AUDIT COMMITTEE
Meeting Minutes

March 11, 2019

CALL TO ORDER / ROLL CALL

Chair Evans called the Audit Committee meeting to order at 11:02 a.m. Committee members present were Chair Evans, and Directors Barnum, Heinrichs, Katz, and Scalzitti. At that time, there was a quorum of the Committee. Staff present was General Counsel Hattam, Assistant General Manager Denham, Director of Finance/Treasurer Harris, Controller Woidzik and Accounting Supervisor Balistrieri. Also present was Jennifer Farr, Partner, of Davis Farr, LLP, Certified Public Accountants.

ADDITIONS TO AGENDA

There were no additions to the agenda.

PUBLIC COMMENT

There were no members of the public who wished to speak.

CHAIR'S REPORT

Chair Evans requested that Director Heinrichs be the new Vice Chair for the audit committee. Director Heinrichs agreed to the request.

APPROVE AUDIT COMMITTEE MINUTES

Approve the Audit Committee minutes from the November 8, 2018 meeting.

Director Heinrichs moved, Director Barnum seconded and the motion to approve the minutes passed unanimously.

I. CONSENT CALENDAR

There were no items on the Consent Calendar.

II. ACTION/DISCUSSION

1. 2019 Work Plan Calendar.

Mr. Woidzik explained the Work Plan for the calendar year to complete the Audit. Mr. Woidzik stated that Davis Farr would conduct their interim work May 20-24, 2019. The week of September 3, 2019 they would conduct the year end phase of the Audit work and that would last through September 13, 2019.

Mr. Woidzik explained that in October he would review the CAFR with Davis Farr. On October 17, 2019 the audit would be complete, and Davis Farr would issue opinion by that date.



Mr. Woidzik noted that there were three Audit Committee meetings in 2019 to fulfill obligations of the committee. The second meeting would be August 26, 2019 and the final meeting on October 28, 2019.

Mr. Woidzik stated the Audit Committee would receive the CAFR on October 21, 2019. The committee would have until October 25, 2019 to complete the review. On October 28, 2019 after a presentation to the committee by the auditors on the annual audit, as well as by staff on the CAFR document, the CAFR would be sent to the printer.

Finally, Mr. Woidzik reported that the Audit Committee would present the CAFR to the Board on November 21, 2019.

2. Required Auditor Communications.

Ms. Jennifer Farr with Davis Farr, LLP delivered an overview of the Audit Engagement Letter that explained what Davis Farr was responsible for as part of the audit, and what they were not responsible for. Ms. Farr mentioned the scope of the audit and their responsibilities as auditors to express an opinion that the financial statements and disclosures were free of material misstatement.

Ms. Farr stated that internal controls were evaluated to assess risk of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures (not to provide any assurances on effectiveness of controls).

Ms. Farr noted that the SAS 114 planning letter communicates modifications to the audit approach. The auditor would be scheduling a meeting with a subcommittee of the Audit Committee to discuss any questions on internal controls or fraud awareness issues.

3. Overview of the Audit Process, Davis Farr, LLP.

Ms. Farr explained that auditors have limited responsibilities for supplementary information and supplemental information presented in the CAFR. They provide no responsibility for the introductory, statistical, and continuing disclosure sections. She informed the committee the audit will cover specific areas such as GASB 88: Debt Disclosures for Direct Borrowings, data mining of payroll transactions, long-term debt testing, and capital asset testing.

4. FY2019 Audit Interim Work.

Mr. Woidzik communicated that Davis Farr, LLP would focus on payroll transactions, activity similar to how accounts payable was reviewed in the previous year. They would investigate anomalies and perform payroll documentation testing.

III. INFORMATION

IV. ADJOURNMENT

There being no further business to come before the Audit Committee, Chair Evans adjourned the meeting at 11:51 a.m.



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