<u>MINUTES</u>

An Audit Committee meeting of the Board of Trustees of the Contra Costa Mosquito and Vector Control District was held on Monday, August 29, 2011, in the offices of the District auditors; Maze & Associates at 3478 Buskirk Avenue, Suite 215, Pleasant Hill, California.

TRUSTEES PRESENT   Jim Pinckney, Chairperson
                                     Sharyn Rossi
                                     Diane Wolcott
                                     Dan Pellegrini
                                     Jose Saavedra

TRUSTEES ABSENT   None

OTHERS PRESENT   Vikki Rodriguez, Maze & Associates
                                     Ray Waletzko, Administrative & Finance Manager

1.   The Committee meeting was called to order at 10:01 a.m.

2.   Roll call indicated that five trustees were present and none were absent.

3.   <u>PUBLIC INPUT ON NON AGENDA ITEMS</u>

        None.

4.   <u>APPROVAL OF MINUTES FROM COMMITTEE MEETING HELD ON OCTOBER 20, 2010</u>

**   Motion was made by Trustee Pellegrini and seconded by Trustee Saavedra to approve minutes from Committee meeting held on October 20, 2010. Motion passed

5.   <u>REVIEW NEW AUDIT TEAM CONDUCTING DISTRICT FIELD WORK</u> - Ms. Vikki Rodriguez of Maze & Associates informed the committee that per the conditions of our audit contract she will remain the Engagement Partner on our Audit. Ms. Rodriguez then handed out reference material describing the background and audits participated on by the new Supervisor in Charge of the District audit, Chris Thomas. It was noted that Mr. Thomas has served as a Supervisor on past audits and he comes with extensive auditing experience. The third auditor on the team will be Mr. Sean Reed who started with Maze & Associates in June of 2011.

6.   <u>MEET WITH DISTRICT AUDITORS TO REVIEW FISCAL YEAR 10/11 ANNUAL AUDIT PROCESS</u> - Ms. Rodriguez discussed the audit planning meeting agenda that detailed the steps their firm would follow in auditing the District financial statements for fiscal year 10/11. Ms. Rodriguez noted that they pay special attention to high risk areas such as check writing, cash transactions and revenue deposits. She asked the committee

members if they were aware of any claims against the district or third party mutual benefit contracts and if they had faith in the honesty of District staff.

Ms Rodriguez discussed the scope and timing of the audit and the fraud considerations they would review. She noted some of the procedures that would be followed and items employees would have to prepare. Administrative & Finance Manager Waletzko noted that information technology staff from the District and Maze had already began to test District firewall IT security systems and that audit confirmations and letters had already been mailed. The auditors will conduct their field work at the District September 19th - 23th and District staff will be available throughout the process. The committee asked the auditor to pay special attention to funding of employee health and retirement benefits.

7.   REVIEW IMPLEMENTATION OF GASB 54 - The Government Accounting Standards Board (GASB) will now require the District auditors to implement ruling number 54 in the fiscal year 10/11 audit. Ms. Rodriguez noted that agencies will no longer be able to have multiple governmental funds but rather all assets will be listed in the Total Government Funds category. These changes, while not substantial, will change the definition of the District reserves detailed in the audit. Administrative & Finance Manager Waletzko explained that reserves that are in the District audit were designated when the full board of trustees adopts the annual budget in July of each year. He and Ms. Rodriguez have already had discussions about this procedure and agreed that it is a acceptable method.

8   ADJOURNMENT

There being no further business, the meeting was adjourned at 10:52 A.M.

I certify the above minutes were approved as read or corrected at a meeting of the Audit Committee held on November 2, 2011.

Jim Pinckney, Chairperson
Audit Committee

AYES:

NOES:

ABSENT:

ABSTAIN

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