CALL TO ORDER / ROLL CALL  
Chair Price called the Audit Committee meeting to order at 8:35 a.m. Committee members present were Chair Price, Vice Chair Williams, Directors Dailey, and Weston. At that time, there was a quorum of the Committee. Staff present was Deputy General Manager Kerl, Deputy General Counsel Gallien, Interim Director of Finance Statler, Controller Greek, and Accounting Supervisors Cerezo and Ziomek. Also present were Jim Godsey, Kevin Starkey and Miyuki Freeman of Macias Gini & O’Connell (MGO).

ADDITIONS TO AGENDA  
There were no agenda additions to the agenda.

PUBLIC COMMENT  
There were no members of the public who wished to address the committee.

CHAIR’S REPORT  
There was no Chair’s Report

APPROVE AUDIT COMMITTEE MINUTES  
The March 5, 2012 Audit Committee meeting minutes were received and filed.

ACTION/DISCUSSION  
1. Discussion of 2012 Workplan

After introductions, Mr. Greek reviewed the Audit Committee calendar, which was handed out. He mentioned key dates, deadlines and the timeline of the audit procedure.

2. Presentation and Discussion of Audit Process.

Mr. Godsey described the background and history of MGO.

Mr. Starkey reviewed the roles and responsibilities of MGO as the auditor for the Water Authority, the scope of the audit and the audit timeline.

Mr. Godsey discussed internal controls. Vice Chair Williams asked when has an auditor looked at the Water Authority’s internal controls. Mr. Godsey explained that while the audit firm does not express an opinion on the sufficiency of internal controls, the firm does review
the internal controls in place to determine the extent they can be relied upon. This analysis is then used to determine the substantive testing required to enable them to issue an opinion on the financial statements as a whole.

After much discussion, Mr. Starkey continued explaining the interim fieldwork involved with producing the audit, risk assessments, the components of the Comprehensive Annual Financial Report (CAFR), and the deliverables of the audit opinion, management letter, and Audit Committee letter.

3. Discussion on future audit issues.

Chair Price appointed Vice Chair Ken Williams and Director Weston to serve on a sub-committee to meet with the auditors with no Water Authority staff present. They agreed with meeting on June 26, 2012, 11:00-12:00.

ADJOURNMENT

There being no further business to come before the Audit Committee, Chair Price adjourned the meeting at 9:30 a.m.