

MINUTES OF THE  
FINANCE/INVESTMENT COMMITTEE  
OF THE VALLECITOS WATER DISTRICT  
WEDNESDAY, JUNE 14, 2017 AT 3:00 P.M.  
AT THE DISTRICT OFFICE, 201 VALLECITOS DE ORO,  
SAN MARCOS, CALIFORNIA

Director Martin called the meeting to order at the hour of 3:00 p.m.

Present:                 Director Martin  
                              Director Sannella  
                              General Manager Pruim  
                              Assistant General Manager Scaglione  
                              Finance Manager Fusco  
                              Accounting Supervisor Owen  
                              Administrative Secretary Johnson

Others Present:        Brianna Schultz, Rogers, Anderson, Malody & Scott, LLP

ITEM FOR DISCUSSION

CERTIFIED PUBLIC ACCOUNTING FIRM AUDIT ENTRANCE MEETING

Brianna Shultz of Rogers, Anderson, Malody & Scott, LLP briefly discussed the auditors' process before control testing begins which includes providing background information to the audit staff, updating any processes that may have changed since the last audit, and identifying any areas of risk.

The audit staff completed their interim audit on June 5 and 6 during which they tested internal controls and processes in place. Of all areas tested, only two control exceptions were noted in payroll. Two employee timesheets were not signed by the supervisor.

General discussion took place regarding cash handling during which Director Martin suggested the District look at ways to encourage non-cash payments which could result in the reduction of staff needed in that area. Finance Manager Fusco stated there is currently only one staff member at the front counter to take cash payments and checks, and that there are many customers in San Marcos that don't necessarily have bank accounts and pay cash only. There are several other ways in which a customer may pay their bill: direct debit, online, and with a credit card.

Ms. Schultz stated everything looks great; however, she suggested considering possible changes in the ability to change pay rates in the payroll system. Currently the District's Payroll Technician does this after being notified by Human Resources to do so.

Typically, Human Resources does this function. Finance Manager Fusco explained the current process which is acceptable with the controls that are in place.

Director Martin inquired about the District using a credit card with rewards. Finance Manager Fusco stated staff had considered that last year and found that credit card companies do not afford the same benefits to government agencies such as the District as they do with other companies. The cost of administering such a program would outweigh the benefits.

General discussion took place.

Ms. Shultz stated their staff will return the week of September 25 to conduct the final fieldwork of the audit. The year-end phase will evaluate the District's financial statements and then an opinion will be rendered in early December.

The Committee will report to the Board that the audit entrance meeting has taken place satisfactorily.

#### OTHER BUSINESS

None.

#### PUBLIC COMMENT

None.

#### ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at the hour of 3:31 p.m.