

## MINUTES

An Audit Committee meeting of the Board of Trustees of the Contra Costa Mosquito and Vector Control District was held on Thursday, September 5, 2013, in the offices of the District auditors; Maze & Associates at 3478 Buskirk Avenue, Suite 215, Pleasant Hill, California.

TRUSTEES PRESENT      Jim Pinckney, Chairperson  
                                 Dan Pellegrini  
                                 Jose Saavedra  
                                 Randal Diamond  
                                 Perry Carlston

TRUSTEES ABSENT      Sharyn Rossi

OTHERS PRESENT      Vikki Rodriguez, Maze & Associates  
                                 Craig Downs, General Manager  
                                 Ray Waletzko, Assistant Manager

1.      The Committee meeting was called to order at 10:00 a.m.
2.      Roll call indicated that five trustees were present and one was absent.
3.      PUBLIC INPUT ON NON AGENDA ITEMS  
  
None.
4.      APPROVAL OF MINUTES FROM COMMITTEE MEETING HELD ON OCTOBER 15, 2012  
  
\*\*      Motion was made by Trustee Pellegrini and seconded by Trustee Saavedra to approve minutes from Committee meeting held on October 15, 2012. Motion passed
5.      REVIEW AUDIT TEAM CONDUCTING DISTRICT FIELD WORK - 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 discussed the backgrounds of the Supervisor in Charge of the District audit, Jeffrey Petersen, and the Associate, Mathew Bucci. There was some discussion regarding the three year contract the district and Maze are operating under and the requirement that there be some rotation of Maze staff every year.
6.      MEET WITH DISTRICT AUDITORS TO REVIEW FISCAL YEAR 12/13 ANNUAL AUDIT PROCESS - 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 12/13. Ms. Rodriguez noted that they pay special attention to high risk areas such as check writing fraud, cash transactions and revenue deposits. She also noted they would be reviewing areas such as payroll processing, bank reconciliations, information systems security and compensated vacation balances. Ms Rodriguez explained that audit

standards require open communication and she asked all present if they were aware of any fraud or areas that they felt needed closer observation. She encouraged the trustees to call her at any time if they had any concerns.

Ms. Rodriguez stated that Maze is charged with communicating with the parties responsible for financial governance; in this case the District Audit Committee. She explained how they cannot audit every transaction but rather they have requirements to test a pre-determined sampling size based on the total for the year. There was some discussion about areas that may have contributed to the fraud that occurred at the San Mateo Mosquito Abatement District and how our District can avoid these problems. She noted that it is difficult to detect fraud when two employees are involved; but that they pay special attention that appropriate checks and balances are in place and are being followed. Ms Rodriguez noted that GASB 63 is a new issue to be addressed in the audit this year but it is not substantial and she will address it further when we look at the draft of the financial statements in October.

The audit confirmations and letters have been sent out to appropriate parties and the auditors will conduct their field work at the District September 16<sup>th</sup> - 19<sup>th</sup>, 2013, and District staff will be available throughout the process. There was discussion about the auditors testing the District information system application controls and the credentials of the staff members responsible for such items.

7. DISCUSSION REGARDING AUDITOR SIGNATURE ON FINANCIAL STATEMENTS - The Committee discussed the letter from Vikki C. Rodriguez, Maze & Associates regarding an inquiry as to why the financial statements are signed by the firm "Maze & Associates" rather than by an individual. It was explained that per auditing standards the signature of the auditor's firm is an element that is required. The committee thanked Ms. Rodriguez for the clarification.
8. ADJOURNMENT - There being no further business the meeting was adjourned at 10:47 A.M.

I certify the above minutes were approved as read or corrected at a meeting of the Audit Committee held on October 21, 2013.

  
Jim Pinckney, Chairperson  
Audit Committee

AYES:

NOES:

ABSENT:

ABSTAIN