

The Colorado River Commission of Nevada Financial and Audit Subcommittee meeting was held at 12:30 p.m. on Tuesday, October 9, 2018 at the Grant Sawyer State Office Building, 555 East Washington Avenue, Suite 3100, Las Vegas, Nevada.

SUBCOMMITTEE COMMISSIONERS IN ATTENDANCE

Subcommittee Chairwoman
Subcommittee Commissioner

Kara J. Kelley
Dan H. Stewart

SUBCOMMITTEE COMMISSIONER IN ATTENDANCE BY PHONE

Subcommittee Vice Chairwoman

Marilyn Kirkpatrick

DEPUTY ATTORNEY GENERAL

Special Counsel, Attorney General

Jennifer Crandell

COMMISSION STAFF IN ATTENDANCE

Deputy Executive Director
Chief of Finance and Administration
Senior Energy Accountant
Systems Coordinator
Administrative Assistant IV
Administrative Assistant IV

Eric Witkoski
Douglas N. Beatty
Gail L. Benton
Chris Smith
Kathryn Aguilar
Kira Bakke

OTHERS PRESENT; REPRESENTING

Southern Nevada Water Authority

Jordan Bunker

**COLORADO RIVER COMMISSION
OF NEVADA
FINANCIAL AND AUDIT SUBCOMMITTEE
MEETING OF OCTOBER 9, 2018**

INDEX

<u>Agenda Item</u>	<u>Subject</u>	<u>Page No.</u>
A.	Conformance to Open Meeting Law	1
B.	Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken)	1
C.	<i>For Possible Action:</i> Approval of minutes of the August 14, 2018 meeting.....	1
D.	<i>For Information Only:</i> Update on the Request for Proposal for a contract for services of an independent Contractor to review specific items of the FY2017 Financial Audit of the Commission	1
E.	<i>For Information Only:</i> Update on the activities of the Audit for FY2018.....	2
F.	<i>For Information Only:</i> Notification of receipt of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the Commission's annual financial report for the fiscal year ended June 30, 2017 ..	3
G.	Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken)	3
H.	Comments and questions from the Commission members	3
I.	Selection of next possible meeting date	4
J.	Adjournment	4

The Colorado River Commission of Nevada Financial and Audit Subcommittee (Subcommittee) meeting was called to order by Subcommittee Chairwoman Kelley at 12:38 p.m.

A. Conformance to Open Meeting Law.

Deputy Executive Director Eric Witkoski confirmed that the meeting was posted in compliance with the Open Meeting Law.

B. Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action will be taken.)

Subcommittee Chairwoman Kelley asked if there were any comments from the public. There were none.

C. *For Possible Action:* Approval of minutes of the August 14, 2018 meeting.

Subcommittee Commissioner Stewart moved for approval of the minutes. The motion was seconded by Subcommittee Chairwoman Kelley. Subcommittee Chairwoman Kelley commented that the request on page 2 of the minutes should be articulated more clearly. Both motions were withdrawn, and the item was tabled for the next Subcommittee meeting.

D. *For Information Only:* Update on the Request for Proposal for a contract for services of an Independent Contractor to review specific items of the FY2017 Financial Audit of the Commission.

Chief of Finance and Administration, Douglas Beatty gave an update on the Requests for Proposals for services of an independent contractor to review specific items of the FY2017 Financial Audit sent to the seven approved auditing firms at the August 14, 2018 Subcommittee meeting. The deadline for submittals is October 12, 2018. No questions from the seven auditing firms have been received.

Mr. Beatty called representatives of all the firms; six out of seven declined the proposal. One firm is considering submitting a proposal, but the firm does not believe it has the expertise for the project, even with help from a third-party firm. Subcommittee Commissioner Stewart asked about contingency plans in the event no proposals were received.

Mr. Beatty said Staff might widen the scope of the offer, reaching out to auditing firms located in other states.

Subcommittee Chairwoman Kelley asked about the potential timeline for the remaining firm's acceptance.

Mr. Beatty is not sure; it depends on whether the firm can establish a third-party partnership. The best estimate is two weeks.

Subcommittee Commissioner Stewart asked if there were any external deadlines to consider or if the deadlines in question were internal.

Mr. Beatty answered that the deadlines were strictly internal.

Subcommittee Chairwoman Kelley asked what the timeframe was between the request for proposal and the internal deadline.

Mr. Beatty answered that the timeframe was four weeks.

Subcommittee Chairwoman Kelley expressed a desire to agendize the conversation about the request for proposal issue to readdress consideration of moving forward.

E. <i>For Information Only: Update on the activities of the Audit for FY2018.</i>
--

Mr. Beatty provided an update on the activities of the FY2018 Audit. The Audit has been proceeding as scheduled since October 1, 2018 with only routine questions received. Mr. Beatty has spoken with Chris Whetman, manager of the audit who explained that the audit was 75% complete, with no issues raised at that point in time. Eide Bailly LLP is expected to complete field work by October 15, 2018.

Subcommittee Chairwoman Kelley asked when both bodies (the Commission and the Subcommittee) would see the final opinion.

Mr. Beatty stated that the results would be revealed as soon as a meeting could be scheduled, but that the final opinion would not be available by the November 13, 2018 meeting.

Subcommittee Chairwoman Kelley expressed a desire for the Subcommittee to review the audit before it is presented to the state.

Mr. Beatty agreed that that would be possible.

Subcommittee Chairwoman Kelley was happy to hear that deadlines are being met and wants to be made aware if any future ones are not.

Mr. Witkoski asked if Staff should bring any issues to the Subcommittee first.

Subcommittee Chairwoman Kelley agreed and suggested that a telephone call would suffice.

F. For Information Only: Notification of receipt of the Government Finance Officers Association's Certificate of Achievement for Excellence in Financial Reporting for the Commission's annual financial report for the fiscal year ended June 30, 2017.

Mr. Beatty explained that each year, the Commission submits its annual financial report to the Government Finance Officers Association (GFOA) for review and evaluation as part of the GFOA's achievement program. The report is subjected to a review by two Special Review Committee members. Both committee members must recommend award of the certificate. The review consists of evaluation in a number of categories including:

1. Reporting in conformity with General Accepted Accounting Principles.
2. Demonstration of compliance with finance-related legal and contractual provisions.
3. Completeness and clarity of a letter of transmittal and introductory section.
4. Inclusion of a complete and clear statistical section.
5. Use of standardized terminology and formatting conventions.
6. Disclosure thoroughness and detail sufficiency.
7. Minimization of ambiguities and potentials for misleading inference.
8. Cohesiveness and internal consistency.
9. Implementation of prior year comments and suggestions for improvement.
10. Readability.

Staff was very pleased to inform the Subcommittee that the Commission's annual financial report received the certificate for fiscal year 2017.

In the words of GFOA, "The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting, and its attainment represents a significant accomplishment by a government and its management." The Commission has received the award for its financial report every year since 1977.

Subcommittee Chairwoman Kelley congratulated Staff on receiving the award.

G. Comments from the public. (No action may be taken on a matter raised under this item of the agenda until the matter itself has been specifically included on an agenda as an item upon which action may be taken.)

Subcommittee Chairwoman Kelley asked if there were any comments or questions from the public.

There were none.

H. Comments and questions from the Commission members.

Subcommittee Chairwoman Kelley asked if there were any other comments or questions from the Subcommittee members.

Subcommittee Chairwoman Kelley reminded Staff and the auditors of the importance in meeting all deadlines

There were no further comments or questions.

I. Selection of next possible meeting date.

The next Subcommittee meeting date and time is to be determined.

J. Adjournment.

There being no further business to come before the Subcommittee, the meeting was adjourned at 1:10 pm.



Eric Witkoski, Deputy Executive Director

APPROVED:



Kara J. Kelley, Subcommittee Chairwoman