

County of Marin
FINANCIAL AUDIT ADVISORY COMMITTEE
MINUTES
MONDAY, MAY 7TH, 2012
1:00 p.m. to 2:00 p.m..

COUNTY OF MARIN CIVIC CENTER
3501 Civic Center Drive, Rug Room, Rm 324A, San Rafael, CA 94903

1.	Call to Order The meeting was called to order at:1:05 p.m.
2.	Roll Call Present: 1. Judy Arnold 2. Kathrin Sears 3. Jack Govi (Patrick Faulkner) 4. Matthew Hymel 5. John (Scott) White 6. Mary Jane Burke 7. Scott McKown 8. Dan Schwarz Absent Marc Revere Others in attendance Roy Given Margie Roberts Mina Teymourtash Terena Mares
3.	Approval of 05/07/12 Proposed Agenda MOTION to approve Proposed Agenda by Matthew Hymel Second by Scott McKown AYES: ALL
4.	Approval of 04/07/11 FAAC Meeting minutes MOTION to approve 04/07/11 FAAC meeting minutes by Scott McKown Second by Matthew Hymel Abstain: Kathrin Sears, Jack Govi, Dan Schwarz AYES: ALL
5.	Open Time for Public Comment Mary Jane Burke asked how many minutes should be allowed for each public speaker.

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	<p>Matthew Hymel and Roy Given commented that 3 minutes per public speaker would be reasonable. Mary Jane Burke agreed.</p> <p>Mary Jane Burke acknowledged the presence of Terena Mares.</p>
6.	Review Financial Audit Reports
a.	<p>Review of FY 2010/2011 Comprehensive Annual Financial Report (CAFR)</p> <p>Mina Teymourtash talked about the CAFR highlights, including financial position of the general fund and other governmental funds, including special revenue, capital projects and debt service. She mentioned key differences between the Basic Financial Statements and the CAFR, i.e. expanded disclosure and statistical schedules. She mentioned that the County received an unqualified (“clean”) opinion from the County’s external auditors.</p> <p>There was an overall discussion about the following:</p> <ul style="list-style-type: none"> – implementation of GASB 54 and corresponding fund balance categories – allocation of the \$14.8 million unassigned fund balance subsequent to 6/30/11 – County’s non-GAAP policy concerning cost versus fair market value of investments – other agencies audits that had an impact on the County’s CAFR – evaluation of future liabilities – pension liabilities (estimates, adjustments, reserves and OPEB trust) <p>Matthew Hymel commented that, overall, the County is in a good cash and reserve position. The CAFR provides additional transparency and, in many cases, a 10 year history on key statistical information</p>
b.	<p>Review of Required Communication Letter for FY 2010/2011</p> <p>Roy Given talked about the required communication letter highlights. He mentioned that this fiscal year, the auditors did not have any concerns or findings that managements had to respond to.</p> <p>Matthew Hymel asked about the letter to be prepared for the Board of Supervisors, in which Roy Given replied that the board letter would be discussed in agenda item #7.</p>
c.	<p>Review of Single Audit Report for FY 2010/2011</p> <p>Margie Roberts discussed the single audit highlights. There was one material weakness with a questioned cost of about \$16,000. The exception had been corrected. DOF and H&HS worked together to ensure that this kind of exception will</p>

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	<p>not reoccur.</p> <p>Additionally, Margie Roberts commented that in procuring the new system, DOF will ensure that grant reporting would be included as part of the new system requirement.</p>
7.	<p>Reporting time table</p> <p>Roy Given presented information addressing the County's reporting history, future reporting plans, general information concerning the CAFR and the Single Audit. In addition, Roy Given presented to the Committee a timeline of financial reporting beginning with the Independent Auditor's draft financial statements and management report, review of the reporting by County Management, County Board of Supervisor Approval of the financial report and the FAAC advisory process.</p>
8.	<p>Approval of Proposed Board letter</p> <p>MOTION to have Mary Jane Burke finalize the proposed board letter and circulate to members via e-mail by Matthew Hymel Second by Scott McKown AYES: ALL</p>
	<p>Additional discussions</p> <p>Matthew Hymel asked members to submit topics for discussion in the next FAAC meeting.</p> <p>Dan Schwarz suggested that if there are BOS agenda items that concerns FAAC, the FAAC staff should send a link to the recorded BOS meeting, to highlight the important items.</p> <p>Mary Jane Burke acknowledged the effort of staff in preparing the financials and for preparing for the meeting.</p> <p>Roy Given gave a brief summary of Department of Finance's progress on combining the Auditor-Controller's Office and Treasurer's Office, to move forward to work as a team. He also provided an update on the procurement and implementation of the new financial system.</p> <p>Matthew Hymel commented that the Treasury Oversight Committee is still existing, which communicates to its members openly and appraised member as issues come up.</p>
9.	<p>Adjournment</p> <p>The meeting was adjourned at 2:00 p.m.</p>