



MINUTES
AUDIT COMMITTEE MEETING
INLAND EMPIRE UTILITIES AGENCY*
AGENCY HEADQUARTERS, CHINO, CA
WEDNESDAY, DECEMBER 9, 2015
9:00 A.M.

COMMITTEE MEMBERS PRESENT

Terry Catlin, Chair
Steven J. Elie (Alternate)

COMMITTEE MEMBERS PRESENT

Jasmin A. Hall

STAFF PRESENT

P. Joseph Grindstaff, General Manager
Chris Berch, Executive Manager of Engineering/AGM
Martha Davis, Executive Manager of Policy Development/AGM
Christina Valencia, Chief Financial Officer/AGM
Kathy Besser, Manager of External Affairs
Andy Campbell, Deputy Manager of Planning and Environmental Resources
Javier Chagoyen-Lazaro, Manager of Finance and Accounting
Warren Green, Manager of Contracts and Facility Services
Jason Gu, Grants Officer
Sylvie Lee, Manager of Planning and Environmental Resources
Suresh Malkani, Principal Accountant
Lisa Morgan- Perales, Senior Water Resources Analyst
Sapna Nangia, Senior Internal Auditor
Jason Pivovaroff, Senior Engineer
Craig Proctor, Pretreatment and Source Control Supervisor
Peter Soelter, Senior Internal Auditor
Teresa Velarde, Manager of Internal Audit
April Woodruff, Board Secretary/Office Manager

OTHERS PRESENT

Travis Hickey, Audit Committee Advisor
Nitin Patel, White Nelson Diehl Evans

The meeting was called to order at 9:12 a.m. There were no public comments received or additions to the agenda.

ACTION ITEMS

The Committee:

- ◆ Approved the Audit Committee meeting minutes of September 9, 2015.

◆ Recommended that the Board:

1. Approve the CAFR for FY ended June 30, 2015; and
2. Direct staff to distribute the report as appropriate, to the various federal, state, and local agencies, financial institutions, bond rating agencies, and other interested parties;

as an Action Item on the December 16, 2015 Board meeting agenda.

- ◆ Mr. Nitin Patel from White Nelson Diehl Evans provided a brief overview of the Single Audit and the various reports that were issued in connection with the audit. Mr. Patel mentioned that the audit report noted that, in accordance with the Government of Audit Standards, a few items were incorrectly included as "capital projects" in the construction in progress project listing as of June 30, 2015. He noted that management has responded to this issue and have taken corrective action. Mr. Grindstaff noted that it does not change the Agency's basic financial situation.

Recommended that the Board:

1. Approve the Single Audit Report for FY 2014/15; and
2. Direct staff to distribute the report, as appropriate, to the State Controller's Office, the Federal Clearing House, and other interested parties;

as a Consent Calendar Item on the December 16, 2015 Board meeting agenda.

INFORMATION ITEMS

The following information items were presented, received, or filed by the Committee:

- ◆ Updates for the Audit Committee and the Internal Audit Department Charters
- ◆ Regional Contract Review Final Report
- ◆ Internal Audit Department Quarterly Status Report for December 2015

GENERAL MANAGER'S COMMENTS

General Manager Joseph Grindstaff stated that as a direct result of the Regional Contract Review audit has actually brought in new revenue for the agencies, and help force the issues in a positive way for the agencies. Mr. Grindstaff thanked Principal Accountant Suresh Malkani and the Finance Department for doing a really good job in working on the account and finance processes over the past year.

COMMITTEE MEMBER COMMENTS

President Catlin thanked Manager of Internal Audit Teresa Velarde and her staff for all the hard work that went into the Regional Contract Review Final Report.

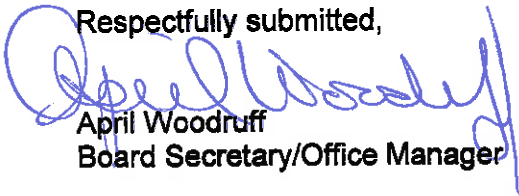
COMMITTEE MEMBER REQUESTED FUTURE AGENDA ITEMS

None.

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With no further business, the meeting adjourned at 9:55 a.m.

Respectfully submitted,



April Woodruff
Board Secretary/Office Manager

*A Municipal Water District

APPROVED: March 9, 2016