

# NOTICE OF MEETING

The Audit Committee Meeting of the Incline Village General Improvement District will be held **starting at 5:00 p.m.** on Wednesday, September 13, 2017 in the Chateau, 955 Fairway Boulevard, Incline Village, Nevada.

- A. ROLL CALL OF THE AUDIT COMMITTEE MEMBERS\*
- B. PUBLIC COMMENTS\* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration.

**Public Comment Advisory Statement** – *A public body has a legitimate interest in conducting orderly meetings. IVGID may adopt and enforce reasonable restrictions on public comment to ensure the orderly conduct of a public meeting and orderly behavior on the part of persons attending the meeting. Public comment, as required by the Nevada Open Meeting Law, is an opportunity for people to publicly speak to the assembled Board of Trustees. Generally, it can be on any topic, whether or not it is included on the meeting agenda. In other cases, it may be limited to the topic at hand before the Board of Trustees. Public comment cannot be limited by point of view. That is, the public has the right to make negative comments as well as positive ones. However, public comment can be limited in duration and place of presentation. While content generally cannot be a limitation, all parties are asked to be polite and respectful in their comments and refrain from personal attacks. Willful disruption of the meeting is not allowed. Equally important is the understanding that this is the time for the public to express their respective views, and is not necessarily a question and answer period. This generally is not a time where the Board of Trustees responds or directs Staff to respond. If the Chair feels there is a question that needs to be responded to, the Chair may direct the General Manager to coordinate any such response at a subsequent time. Finally, please remember that just because something is stated in public comment that does not make the statement accurate, valid, or even appropriate. The law mitigates toward allowing comments, thus even nonsensical and outrageous statements can be made. However, the Chairperson and/or General Counsel may cut off public comment deemed in their judgment to be slanderous, offensive, inflammatory and/or willfully disruptive. Counsel has advised the Staff and the Board of Trustees not to respond to even the most ridiculous statements. Their non-response should not be seen as acquiescence or agreement just professional behavior on their part. IVGID appreciates the public taking the time to make public comment and will do its best to keep the lines of communication open.*

- C. APPROVAL OF AGENDA *(for possible action)*
- D. GENERAL BUSINESS ITEM *(for possible action)*
  - 1. Review and discuss a plan to update Policy 15.1.0 Accounting, Auditing, and Financial Reporting, Audit Committee (Requesting Trustee: Vice Chairman Phil Horan) – **pages 3 - 8**

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**Incline Village General Improvement District**

*Incline Village General Improvement District is a fiscally responsible community partner which provides superior utility services and community oriented recreation programs and facilities with passion for the quality of life and our environment while investing in the Tahoe basin.*

893 Southwood Boulevard, Incline Village, Nevada 89451 • (775) 832-1100 • FAX (775) 832-1122

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- E. PUBLIC COMMENTS\* - Conducted in accordance with Nevada Revised Statutes Chapter 241.020 and limited to a maximum of three (3) minutes in duration; see **Public Comment Advisory Statement** above.
  - F. ADJOURNMENT (*for possible action*)
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## CERTIFICATION OF POSTING OF THIS AGENDA

I hereby certify that on or before Friday, September 8, 2017 at 9:00 a.m., a copy of this agenda (Audit Committee Session of September 13, 2017) was delivered to the post office addressed to the people who have requested to receive copies of IVGID's agendas; copies were either faxed or e-mailed to those people who have requested; and a copy was posted at the following six locations within Incline Village/Crystal Bay in accordance with NRS 241.020:

1. IVGID Anne Vorderbruggen Building (Administrative Offices)
2. Incline Village Post Office
3. Crystal Bay Post Office
4. Raley's Shopping Center
5. Incline Village Branch of Washoe County Library
6. IVGID's Recreation Center

*/s/ Susan A. Herron, CMC*

Susan A. Herron, CMC

Clerk to the Board of Trustees (e-mail: sah@ivgid.org/phone # 775-832-1207)

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**Audit Committee Members:** *Phil Horan, Chairman, Peter Morris, Kendra Wong*

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**Notes:** *Items on the agenda may be taken out of order; combined with other items; removed from the agenda; moved to the agenda of another meeting; moved to or from the Consent Calendar section; or may be voted on in a block. Items with a specific time designation will not be heard prior to the stated time, but may be heard later. Those items followed by an asterisk (\*) are items on the agenda upon which the Board of Trustees will take no action. Members of the public who are disabled and require special accommodations or assistance at the meeting are requested to call IVGID at 832-1100 at least 24 hours prior to the meeting. Copies of the packets containing background information on agenda items are available for public inspection at the Incline Village Library.*

**IVGID'S agenda packets are now available at IVGID's web site, [www.yourtahoeplace.com](http://www.yourtahoeplace.com); go to "Board Meetings and Agendas". A hard copy of the complete agenda packet is also available at IVGID's Administrative Offices located at 893 Southwood Boulevard, Incline Village, Nevada, 89451.**

## MEMORANDUM

**TO:** District Audit Committee

**THROUGH:** Phil Horan  
Audit Committee Chair

**FROM:** Gerald W. Eick CPA CGMA  
Director of Finance

**SUBJECT:** Proposed Redline Audit Committee Policy for review and discussion, to direct staff for further editing or next steps.

**STRATEGIC PLAN:** Long Range Principle #2 – Finance “Comply with State and Federal Regulations”

**DATE:** September 5, 2017

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### **I. RECOMMENDATION**

At the request of the Audit Committee Chair, staff has produced a redline version of the current Audit Committee Policy, addressing general definitions, independent auditor authority to act in a manner that results in a fee, clarity to monitoring complaints, and scheduling meetings.

### **II. DISTRICT STRATEGIC PLAN**

Long Range Principle #2, Finance “Comply with State and Federal Regulations.” NRS 354.624 requires the annual audit. The District has placed the administration of that process under the Audit Committee.

### **III. BACKGROUND**

The Audit Committee Policy was adopted January 14, 2009. It has not been reviewed for significant change or relevance since that time. Since that time events indicate some clarity of process or procedure may support this review.

### **IV. ALTERNATIVES**

No changes are mandated. However, the adoption of Policies implies they will reviewed periodically to remain relevant.





## Accounting, Auditing, and Financial Reporting Audit Committee Policy 15.1.0

The Incline Village General Improvement District is committed to be proactive, informed, and providing the highest form of financial accountability to its residents. Achieving this goal requires clear rules and procedures for making decisions and their impact on financial results. As required by Nevada Revised Statute 354.624, each local government shall provide for an annual independent audit of all of its financial statements.

**POLICY:** Each year, the Board of Trustees may establish the need for an audit committee and appoint no less than three members to such committee. Members of the Committee shall remain in place until successors are appointed. Members of the audit committee should be current Board members. As a general rule no one having managerial responsibilities that fall within the scope of the audit should serve as a committee member.

### 1.0 Independent accountants report directly to the audit committee

The independent auditor reports directly to the audit committee. The audit committee is expected to maintain free and open communication with the independent auditor and District Staff. This communication ~~will~~may include periodic executive sessions with each of these parties. The independent auditor should not engage in any work that will result in billing a fee, unless authorized by the Audit Committee. This includes response to items brought forward by any internal or external source. This does not preclude the work they must perform to meet their professional responsibility.

### 2.0 Scope of audit committee's authority and responsibilities

The Audit Committee at a minimum shall have the following authority and responsibilities:

1. To select, evaluate and, if necessary, replace the District's independent auditor, and to approve all audit engagement fees and terms, subject to Board of Trustee approval.
2. To review, with management and the auditors, the District's annual auditor's planning, budgeting process and staffing engagement decisions.

Adopted January 14, 2009 Revised XXxxXX



**Accounting, Auditing, and Financial Reporting  
Audit Committee  
Policy 15.1.0**

3. To review procedures for the receipt, retention, and treatment of complaints received by the District regarding accounting, internal accounting controls, auditing matters, or suspected fraud. Review any submissions that have been received, monitor their current status, and the document handling resolution or disposition, if one has been reached.
4. To review ~~procedures for the~~ confidential, anonymous submission by the District's employees of concerns regarding questionable accounting or auditing matters, or suspected fraud, that can not be handled by other appropriate levels of management.
5. The audit committee should meet ~~at least four times per year, and at additional times~~ when necessary, as determined the Audit Committee Chair. These mMeetings may be combined with regularly scheduled meetings, or may be held more frequently as circumstances may require. The ~~a~~Audit ~~e~~Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
6. To ~~prepare and~~ submit an annual Audit Committee Report to the District's Board of Trustees ~~an annual audit committee report~~ in conjunction with the acceptance of the annual audit.
7. To review and reassess, ~~at least annually,~~ the adequacy of the audit committee responsibilities and recommend any proposed changes to the Board of ~~Trustees~~Directors for approval.
8. To appoint a Chair for the Audit Committee who will act as the primary contact with the independent auditor and District staff.

**3.0 — Structure of Audit Committee**

9. ~~Members of the audit committee should be current Board members and ideally, a~~All members of the audit committee should possess or obtain a basic understanding of governmental financial reporting and auditing.

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Adjust space between Asian text and numbers

Adopted January 14, 2009 Revised XXXXXX



**Accounting, Auditing, and Financial Reporting  
Audit Committee  
Policy 15.1.0**

~~The audit committee meets at least four times a year. Additional meetings may occur as the audit committee deems advisable. 10.~~ -The audit committee will keep adequate minutes of its meetings and will report on its actions and activities at the next regular meeting of the District's Board of Trustees. Audit committee members will be furnished with copies of the minutes of each meeting, ~~and any action taken by unanimous consent.~~ 11. The audit committee is governed by the same open meeting laws NRS 241 as long as three current District Board members are on the audit committee and in attendance at the audit committee meetings.

~~Adopted January 14, 2009 Revised XXxxXX~~







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2. To review, with management and the auditors, the District's annual audit planning, budgeting and staffing decisions.
3. To review procedures for the receipt, retention, and treatment of complaints received by the District regarding accounting, internal accounting controls, auditing matters, or suspected fraud. Review any submissions that have been received, the current status, and the resolution if one has been reached.

Adopted January 14, 2009



**Accounting, Auditing, and Financial Reporting  
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4. To review procedures for the confidential, anonymous submission by the District's employees of concerns regarding questionable accounting or auditing matters, or suspected fraud, that can not be handled by other appropriate levels of management.
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Adopted January 14, 2009