

**MEMORANDUM**

**TO:** Board of Trustees

**FROM:** Phil Horan  
Chairman of the Audit Committee

**SUBJECT:** Review, discuss and possibly appoint a new member to the Audit Committee - Audit Committee Membership, Policy 15.1.0, Audit Committee

**DATE:** February 1, 2017

---

I have asked that this General Business item be on the agenda so that the Board of Trustees can review the current membership of the Audit Committee and, if desired, make modifications thereto.

The current members of the Audit Committee are:

Phil Horan (Chair)  
Kendra Wong

Attached is Policy 15.1.0, Audit Committee, for reference purposes.



**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 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 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 include periodic executive sessions with each of these parties.

**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.
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  
Audit Committee  
Policy 15.1.0**

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. These meetings may be combined with regularly scheduled meetings, or may be held more frequently as circumstances may require. The Audit Committee may ask members of management or others to attend the meetings and provide pertinent information as necessary.
6. To prepare and submit 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 Directors for approval.
8. To appoint a Chair for the Audit Committee who will act as the primary contact with the independent auditor.

**3.0 Structure of Audit Committee**

Members of the Audit Committee should be current Board members and ideally, all members of the Audit Committee should possess or obtain a basic understanding of governmental financial reporting and auditing. The Audit Committee meets at least four times a year. Additional meetings may occur as the Audit Committee deems advisable. 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. 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