

THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA

MINUTES

SUBCOMMITTEE ON AUDITS

May 23, 2023

Chair De Jesus called the meeting to order at 8:32 a.m.

Members present: Directors De Jesus, Miller (teleconference location posted), and Seckel.

Members absent: Directors Armstrong and Jung.

Other Board Members present: Directors Erdman, Goldberg, Kurtz, McMillan, Morris, Ortega, and Smith.

Committee Staff present: Andrus, Hagekhalil, Parsons, Ros, Suzuki, Wheeler.

1. OPPORTUNITY FOR MEMBERS OF THE PUBLIC TO ADDRESS THE COMMITTEE ON MATTERS WITHIN THE COMMITTEE'S JURISDICTION

None

CONSENT CALENDAR ITEMS -- ACTION

2. CONSENT CALENDAR OTHER ITEMS ACTION

- a. Subject: Approval of the Minutes of the Subcommittee on Audits for March 28, 2023 (Copies have been submitted to each Director, Any additions, corrections, or omissions)

Director De Jesus made a motion, seconded by Director Miller, to approve the consent calendar consisting of item 2a.

The vote was:

Ayes: Directors De Jesus, Miller, and Seckel

Noes: None

Abstentions: None

Absent: Directors Armstrong and Jung

The motion for item 2a passed by a vote of 3 ayes, 0 noes, 0 abstain, and 2 absent.

END OF CONSENT CALENDAR ITEMS

3. SUBCOMMITTEE ITEMS

- a. Subject: Annual Risk Assessment Workshop
- Presented by: Scott Suzuki, General Auditor
 Kathryn Andrus, Deputy General Auditor
 Chris Gutierrez, Audit Program Manager
 Arturo Castro, Principal Auditor
 Andrew Lin, Principal Auditor
 Bonita Leung, Deputy Auditor III

Mr. Suzuki presented the committee with presentation 3a.1 that included the background on the development of the risk-based audit plan. His presentation overviewed the General Auditor's objectives, strategies, and the eight steps of developing and maintaining the risk-based audit plan.

The following Directors asked questions and provided comments:

1. Smith
2. De Jesus
3. Seckel

Staff responded to Directors' comments and questions.

Mr. Suzuki presented the committee with an overview of the agenda for presentation 3a.2.

Ms. Andrus continued the presentation with definitions of risk, internal controls, and components of the Committee of Sponsoring Organizations of the Treadway Commission. Next, Mr. Gutierrez provided examples of internal and external risk. Ms. Leung shared where internal audits normally focus and audit project considerations. Next, Mr. Lin provided an overview of the prior audit risk assessment and non-financial risks. Lastly, Mr. Suzuki overviewed Board committees and functional areas and facilitated a discussion of any concerns the Board may have regarding the Districts risks or internal controls.

The following Directors asked questions and provided comments:

1. De Jesus
2. Smith
3. Seckel
4. Goldberg
5. Morris
6. Ortega

Staff responded to Directors' comments and questions.

4. FOLLOW-UP ITEMS

None

5. FUTURE AGENDA ITEMS

None

6. ADJOURNMENT

Meeting adjourned at 9:56 a.m.

David De Jesus

Chair