

**THE METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA**

**Minutes**

**AUDIT SUBCOMMITTEE OF THE EXECUTIVE COMMITTEE**

**July 23, 2024**

Vice Chair Fong-Sakai called the meeting to order at 9:30 a.m.

Members present: Directors Armstrong (AB 2449 “Just Cause”), De Jesus, Fong-Sakai, and Garza.

Members absent: Director Cordero.

Other Board Members present: Directors Ackerman, Bryant, Dennstedt, Fellow (teleconference posted location), Goldberg, Gray (teleconference posted location), Kurtz, Lefevre (teleconference posted location), Lewitt, McMillan, Miller (teleconference posted location), Morris, Ortega, and Seckel.

Director Armstrong indicated he is participating under AB 2449 “just cause” due to a contagious illness. Director Armstrong appeared on camera.

Committee Staff present: Andrus, Elias, Upadhyay, Parsons, Wheeler, and Suzuki.

**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 Audit Subcommittee of the Executive Committee for May 28, 2024 (Copies have been submitted to each Director, any additions, corrections, or omissions)

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

Director Armstrong announced during the vote that he was alone in the room.

The vote was:

Ayes: Directors Armstrong, De Jesus, and Garza

Noes: None

Abstentions: Director Fong-Sakai

Absent: Director Cordero

The motion for item 2A passed by a vote of 3 ayes, 0 noes, 1 abstain, and 1 absent.

**\*\*END OF CONSENT CALENDAR ITEMS\*\***

### 3. SUBCOMMITTEE ITEMS

a. Subject: Global Internal Audit Standard 7.1: Organizational Independence

Presented by: Kathryn Andrus, Deputy General Auditor

Ms. Andrus spoke about Organizational Independence as outlined in Global Internal Audit Standard 7.1.

b. Subject: General Auditor's Quarterly Report

Presented by: Scott Suzuki, General Auditor

Mr. Suzuki presented the General Auditor's quarterly report dashboard.

The following Directors asked questions and provided comments:

1. Garza
2. Miller
3. Ortega
4. Armstrong
5. Seckel
6. Fong-Sakai
7. De Jesus

Staff responded to the Directors' comments and questions.

- c.      **Subject:**           Discussion on Ransomware Readiness Assessment  
                                  [Any discussion of threats to public services or facilities to be heard in closed session. Conference with Charles Eckstrom, Group Manager of Information Technology, Jacob Margolis Director of Info Tech Services, and Scott Suzuki, General Auditor; may be heard in closed session pursuant to Gov. Code Section 54957(a)]

Presented by:    Scott Suzuki, General Auditor

In open session, Mr. Suzuki presented on the Ransomware Readiness Assessment.

The following Directors asked questions and provided comments:

1. Kurtz
2. Ortega
3. Garza

Staff responded to the Directors' comments and questions.

In closed session, the committee heard this item. No action was taken.

- d.      **Subject:**           Advisory Services: Introduction to Fraud

Presented by:    Scott Suzuki, General Auditor

Mr. Suzuki presented an Introduction to Fraud.

The following Directors asked questions and provided comments:

1. Garza
2. De Jesus
3. Fong-Sakai

Staff responded to the Directors' comments and questions.

#### **4. FOLLOW-UP ITEMS**

None

#### **5. FUTURE AGENDA ITEMS**

None.

#### **6. ADJOURNMENT**

Meeting adjourned at 10:52 a.m.

Lois Fong-Sakai  
Vice Chair