

**PUBLIC RISK INNOVATION, SOLUTIONS, & MANAGEMENT
(PRISM)**

FINANCE COMMITTEE

MEETING SUMMARY

Web Conference/Telephonic Meeting

Monday, September 27, 2021

9:00 a.m.

Fourth Meeting – 2021

Members Present

Erike Young, CIRA
Steven Chandler, Kern Co. Hospital Authority – Alt.
Mike James, City of Lemon Grove
Frank Williamson, MPA
Rafael Trujillo, City of Rialto
Jennifer Chilton, SDRMA – Alt.
Nathan Black, Sutter County

Members Absent

Javier Gonzales, CSRMA
Scott Mann, City of Sunnyvale

Modify PRISM ARC Equity Investment Internal Cap Amount

The Committee recommended to the Executive Committee and Board of Directors to increase the cap on PRISM ARC's investment in risk assets (equities) to 50% of the overall combined net position/surplus of PRISM and PRISM ARC, and recommended to the PRISM ARC Board of Directors to amend the PRISM ARC Investment Policy accordingly.

Policy & Procedures

Staff informed the Committee on the Finance Department's formal project to document its current procedures and internal controls over financial reporting. The Finance Department started with the Accounts Payable Cycle with the objective of establishing a format that could be applied to the other significant accounting cycles. During this process, staff looked for opportunities to streamline processes and re-evaluating the sufficiency of critical controls to prevent and detect errors or fraud.

Audit Committee Communication with the Auditor

The Public Company Accounting Oversight Board (PCAOB) adopted a new auditing standard in August 2012, Standard No. 16 Communications with Audit Committees, to promote communications between the Auditor and the Audit Committee. Representatives from Gilbert CPA, the PRISM auditors, were at the meeting to discuss any questions and/or concerns from the Finance Committee, who sits as the Audit Committee.

The Auditor reviewed the audit deliverables and timeline, evaluation of risk and materiality, communications with those charged with governance, and the engagement team. The

Auditors asked the Committee about their perception on the risk of fraud at PRISM. The Committee informed the Auditors that they have no knowledge of any fraud, non-compliance, or potential risk of fraud. At the conclusion of the audit, the Auditors will provide the Committee with audited financial statements and information regarding the results of the audit to assist the Committee in the oversight of management's financial reporting and the disclosure process.

Other Matters:

- Budget Revision Policy item was tabled to a future meeting, as additional information has come to light for this item.
- Staff from the Member Services Department provided an update on new and upcoming member services.
- Staff introduced the new committee members and acknowledged C. Paul Frydendal's contribution to the Committee. In addition, an update was provided to the Committee on the Vice Chair vacancy due to Scott Mann's resignation.

Future Meetings

The next regularly scheduled meeting is on ***Wednesday, December 8, 2021, at 1:00 p.m.***, to be held via ***Web Conference***.