

Bay Area Air Quality Management District
939 Ellis Street
San Francisco, California 94109
(415) 749-5000

APPROVED MINUTES

Summary of Board of Directors
Budget & Finance Committee Meeting
9:30 a.m., Wednesday, September 24, 2008

1. **Call to Order:** Chairperson Chris Daly called the meeting to order at 9:33 a.m.

Roll Call: Chairperson, Chris Daly, Harold Brown, Mark Ross, Michael Shimansky, Tim Smith, Pamela Torliatt, Gayle B. Uilkema

Absent: Scott Haggerty, Yoriko Kishimoto
2. **Public Comment Period:** There was no public comment.
3. **Approval of Minutes of April 23, 2008:** Director Shimansky moved approval of the minutes; seconded by Director Brown; carried unanimously without objection.
5. **Consideration of Recommendation for an Additional Air Quality Program Manager Position:** *The Committee considered recommending Board of Directors' approval for an additional Air Quality Program Manager position in the Administration and Incentives Division.*

Director of Administration and Incentives, Jack Colbourn, provided a background of the request, stating that in 2007 the Carl Moyer Program Audit recommended an increase in Incentives Program staffing levels. Staffing was increased from 12 to 17 FTE's; 3 inspectors and 6 contractors were added. Currently, there is only one Manager and he noted that the typical span of control is one Manager to every 10 FTE.

Mr. Colbourn said projected grant funds for FY 2007/08 total \$49 million and FY 2009/10 is predicted to be \$93 million. He explained that 5% in administrative funds are sufficient to cover the salary of the Manager position and therefore, staff requests the Committee consider recommending to the Board of Directors one Air Quality Program Manager position be added to the budget for the current Fiscal Year.

Committee members questioned the duration of the Goods Movement Program, position reporting protocols, staff ratios, future funding and growth of programs.

Committee Action: Director Brown made a motion to recommend to the Board of Directors that one Air Quality Program Manager position be added to the budget for the current Fiscal Year; Director Smith seconded the motion; carried unanimously without objection.

4. Presentation of New State Audit Standards from Air District Auditors Maze and Associates: *The Committee received a presentation of the new State audit standards from Air District's auditors Maze and Associates.*

Katherine Yuen, Maze and Associates, discussed the new audit standard SAS #99, which requires auditors to hold meetings to discuss the audit process. She described the audit scope as including risk assessment brainstorming and planning, creation of an audit plan tailored to the District and sector; transactions cycles subject to control testing and sampling, transactions cycles testing; testing of transactions and balances, evaluation of overall duty assignments, information systems controls tests, performance of compliance tests, and financial statement preparation assistance.

Ms. Yuen said auditors have met with staff and have agreed to the following schedule:

- Interim fieldwork: Completed in July 2008
- Final and single audit fieldwork: To last two weeks starting January 12, 2009
- Report Presentation: February 2009

She said management representations will be requested to confirm data and assertions provided by the Air District are complete and accurate. She defined fraud, fraudulent financial reporting, misappropriations of assets, and said fraud risk assessment and monitoring programs will be developed. Ms. Yuen further reported Maze and Associates was also engaged with the District separately for audit requirements associated with TFCA funds per the Health and Safety Code.

Committee members discussed detection of fraud, the District's petty cash system, and requested the consultant also to discuss audit processes with the District Employees Association.

Committee Action: None; informational report only.

6. Committee Member Comments/Other Business:

Committee member Shimansky questioned whether items on the Mobile Source Committee agenda should have first been heard by the Budget and Finance Committee. Mr. Bunger said certain items have already been approved in the budget process and to the extent there will be new funds, those will return to the Budget and Finance Committee and to the full Board of Directors.

7. Time and Place of Next Meeting: 9:30 a.m., Wednesday, October 22, 2008 – 939 Ellis Street, San Francisco, CA 94109

8. Adjournment: The meeting adjourned at 10:03 a.m.

/s/ Lisa Harper
Clerk of the Boards