

**FIRST 5 VENTURA COUNTY
ADMINISTRATION/FINANCE COMMITTEE
MINUTES**

August 4, 2017

Present: Commissioner Mantooh, Pamela Grothe

Staff Present: Petra Puls, Jennifer Johnson, Lauren Arzu

Guest Speakers: Cindy Fanning, Fanning & Karrh, CPAs

I. Call to Order/Welcome/Introductions

Commissioner Mantooh began the meeting at 9:34 a.m. Since there was not a quorum, information was reviewed, but action was not taken on any items.

II. Approval of Minutes from May 5, 2017

The minutes will be carried forward to the next meeting for approval.

III. Approval of Agenda

The agenda was accepted by consensus.

IV. Public Comments

There were no comments from the public.

V. Review of Audit Procedures for FY 2016/17

Cindy Fanning, from Fanning & Karrh CPAs, the firm conducting the FY 2016/17 audit of the Commission, attended the meeting to receive input from the Committee on the upcoming audit. In the Committee's role as the "audit committee" for the Commission, the purpose of their visit provides an opportunity to review audit procedures and for members to ask questions, raise concerns, and make comments relative to the audit. While it has always been the practice, auditing standards require a pre-meeting in addition to the post meeting with an audit committee. Cindy provided an overview of the process for the audit. She discussed auditing standards for testing internal controls and issuing opinions on compliance. She reported that new auditing pronouncements, including one related to operating leases, will be analyzed for applicability to the Commission's financial reporting. She stated that the audit will begin in September and the draft audit will be presented to the Committee in October. There was brief discussion on whether there were any significant events that would affect the financial statements. Cindy ended with a discussion on fraud risk and the importance of procedures to encourage reporting fraud. Jennifer reviewed the organization's procedures that are in place.

VI. Discussion and Consideration of New Advocacy Policy

Petra Puls reviewed the current advocacy policy, which defines advocacy as hosting educational forums to educate the public, unless there is a direct threat to Proposition 10 funding. Petra noted that First 5 California, the First 5 Association, and County Commissions are increasing their focus on advocating for funding for young children and families in light of declining Proposition 10 resources. Petra noted that today's agenda item is for discussion only. She reviewed the purpose of the policy and options for consideration. The Committee discussed the various options and

scenarios. The members present were supportive of “Option 4”, which delegates authority to the Executive Director to take action in a timely manner within the parameters that would be established in the policy and an approved advocacy platform. It was suggested that staff look at the Board of Supervisor’s advocacy platform that is adopted each year. Given today’s discussion, staff will draft a proposed policy, working with legal counsel, which outlines guidelines and a process for action on policy matters. If the draft policy is ready for review in time for the next Committee meeting and it is the only agenda item for the September meeting, then rather than convening the members for one item, staff would email it for review and input. If the draft policy is not ready in September, staff will present it at the October Committee meeting.

VII. Update on Commission Activities

Petra Puls referred to the July 2017 Report from Commission Staff. Petra reported that the Commission approved an increased FY 2017-18 allocation for the Community Investment Loan Fund as one loan was not ready to be issued at the end FY 2016-17 and as a result, those dollars needed to be incorporated into the new fiscal year. She stated that the Commission approved the selection of the contractor that will conduct the Pay for Success Feasibility Study under the grant received from VCOE and the U.S. Department of Education. She updated the Committee on the planning process that will occur through January 2018 to determine the implementation model and a funding plan for years four and five of the new strategic plan (FY 2019-20 and FY 2020-21). She concluded her report stating that with the new \$2 tobacco tax (Proposition 56) that went into effect in April, cigarette sales have decreased. She advised that staff will be monitoring revenues closely over the coming months.

VIII. New Business/ Miscellaneous

There was no new business to discuss.

IX. Closure

Commissioner Mantooth ended the meeting at 10:28 a.m.

X. Next Meeting

Next Meeting: **Friday, September 8, 2017**, 9:30 a.m. – 11:30 a.m. at First 5 Ventura County.
(This meeting was subsequently cancelled.)