



OFFICE OF THE TREASURER-TAX COLLECTOR
SHARI L. FREIDENRICH, CPA, CCMT, CPFA, ACPFIM



TREASURY OVERSIGHT COMMITTEE MINUTES

Wednesday, July 19, 2017 at 3:00 p.m.
12 Civic Center Plaza, Conference Room 300, Santa Ana

GARY CAPATA
Chair

RICHARD ROHM
Vice Chair

DR. WILLIAM "ANDY" DUNN
Member

FRANK KIM
Member

DR. AL MIJARES
Member

LAURA PARISI
Member

ERIC WOOLERY
Member

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- **Call to Order**
 - Chair Capata called the meeting to order at 3:05 p.m.
 - **Welcome and Introductions**
 - **Members Present:** Gary Capata, Laura Parisi, Richard Rohm and Eric Woolery
 - **Alternates Present:** Michelle Aguirre and Dean West
 - **Members Absent:** Frank Kim, Dr. Andy Dunn and Dr. Al Mijares
 - **Liaison Present:** Treasurer-Tax Collector Shari Freidenrich
 - **Public Comments**
 - There were no public comments made.
 - **Minutes**
 - Member Parisi moved to approve the minutes of the April 19, 2017 Treasury Oversight Committee (TOC) meeting. Alternate Aguirre seconded the motion. **Approved 6-0.**
 - **Old Business**
 - **Update on 2016 Annual Compliance Audit** – The Audit will be one report covering two periods; 1/1/16-12/31/16 and 1/1/17-6/1/17. The TOC will make a recommendation to the Board of Supervisors on the agreed upon procedures for MGO to follow. Treasurer Freidenrich introduced Linda Hurley from MGO and Carol Swe from Internal Audit for questions. Linda Hurley informed the TOC that the agreed upon procedures need to be objective and prepared a proposed draft of procedures for their review. Treasurer Freidenrich reviewed the questions with the TOC. Member Rohm moved to finalize the audit with MGO for the 18-month period of 1/1/16-6/1/17. Alternate Aguirre seconded the motion. **Approved 6-0.**
 - **New Business**
 - **Receive and File Treasurer's Monthly Investment Report for April, May and June:** Treasurer Freidenrich presented the highlights of these reports. In April there was one compliance exception that was self-identified. In May there were no compliance exceptions and there were two changes to the Approved Issuer List. In June there were no compliance exceptions. Member Parisi moved to receive and file these reports. Member Rohm seconded the motion. **Approved 6-0.**
 - **Receive and File June 2017 TOC Compliance Summary:** Treasurer Freidenrich explained the purpose of the summary and the type of information that can be found in it. There was one compliance incident that was self-reported. Alternate West moved to receive and file this report. Alternate Aguirre seconded the motion. **Approved 6-0.**

Mission: Ensure safe and timely receipt, deposit, collection and investment of public funds.

- **Receive and File Report of the Schedule of Assets Held by the County Treasury as of June 30, 2016:** Mr. Malbon explained this is an annual audit mandated by Government Code. There were no material modifications and no instances of non-compliance. Member Woolery moved to receive and file this report. Member Rohm seconded the motion. **Approved 6-0.**
- **Receive and File Report on Review of the Schedule of Assets Held by the County Treasury as of December 31, 2016:** Mr. Malbon explained this is an annual audit mandated by Government Code. There were no material modifications and no instances of non-compliance. Member Woolery moved to receive and file this report. Member Parisi seconded the motion. **Approved 6-0.**
- **Receive and File Management Letter on Review of the Schedule of Assets Held by the County Treasury as of September 30, 2016:** Treasurer Freidenrich explained this is an annual audit mandated by Government Code. There was one controlled deficiency noted. Member Woolery moved to review and approve the engagement letter. Alternate West seconded the motion. **Approved 6-0.**
- **Receive and File Report on Compliance Monitoring of the Treasurer's Investment Portfolio for the Quarter Ended March 31, 2017:** Mr. Malbon explained the purpose of the summary and the type of information that can be found in it. There were no compliance deficiencies identified. Member Rohm moved to receive and file this report. Member Parisi seconded the motion. **Approved 6-0.**
- **Receive and File Internal Control Audit: Treasurer-Tax Collector Electronics Funds Transfer Process as of August 15, 2016:** Treasurer Freidenrich explained the audit background request. The TOC was issued a redacted copy of Internal Audit's Report. The audit report identified two critical control weaknesses, one significant control weakness and six control findings. However, the report stated that internal controls for processing EFTs were in effect and operating as intended. The Treasurer has already implemented many of the recommendations and is in the process of implementing the remaining ones. Member Parisi moved to receive and file this report. Member Woolery seconded the motion. **Approved 6-0.**
- **Chair's Report:**
 - No Chair's Report.
- **Treasurer's Report:**
 - Treasurer Freidenrich reported on the following topics:
 - a. Update on TOC Member Training
 - b. Update on Department Recruitments
 - c. Update on New Investment Accounting/Compliance Software
 - d. Update on Medallion Guarantee Signature Program
 - e. Update on Fiscal Year Closing
 - f. Update on Tax Collections
 - g. Update on Wells Fargo Bank
 - h. Update on Public Parking
 - i. Update on Building 16 Construction
 - j. Update on 2018 Meeting Schedule
- **Committee Member Comments:**
 - There were no comments made.
- **Adjournment:**
 - Chair Capata adjourned the meeting at 4:00 p.m. to Wednesday, October 18, 2017, Auditor-Controller's Conference Room #300.