



**Audit Committee Meeting
February 27, 2018
Minutes**

The Audit Committee Meeting of the Board of Directors of the Las Vegas Convention and Visitors Authority (LVCVA) was held on February 27, 2018, at the Las Vegas Convention Center, 3150 Paradise Road, Las Vegas, Nevada 89109. This meeting was properly noticed and posted in compliance with the Nevada Open Meeting Law.

Audit Committee Members:

Present unless otherwise noted.

Mayor Pro Tem Peggy Leavitt
Gregory Lee
Bill Noonan
Councilman George Rapson.....*via telephone*
Mary Beth Sewald.....absent
Commissioner Lawrence Weekly.....absent

LVCVA Executive Staff in Attendance

Rossi Ralenkotter, Chief Executive Officer*via telephone*
Luke Puschnig, Esq., CEM, Legal Counsel
Ed Finger, Chief Financial Officer
Barbara Bolender, Chief People Officer
Terry Jicinsky, Senior Vice President of Operations

OPENING CEREMONIES

Former Chair Bill Noonan called the meeting to order at 11:07 a.m.

FLAG SALUTE The Pledge of Allegiance was performed.

COMMENTS FROM THE FLOOR BY THE PUBLIC

There were no comments from the floor by the public.

APPROVAL OF AGENDA

**APPROVAL OF
THE AGENDA
AND MINUTES**

Member Gregory Lee moved and it was carried by unanimous vote of the voting members present, including Member George Rapson via telephone, to approve the February 27, 2018, Audit Committee Meeting agenda and the October 24, 2017, Audit Committee Meeting minutes.

STAFF REPORTS – DISCUSSION AND POSSIBLE ACTION

ITEM A. **Audit Committee Officers and Charter**

Luke Puschnig, Legal Counsel, recommended that the LVCVA Audit Committee nominate and elect a Committee Chair and Vice Chair and adopt the Audit Committee Charter as presented.

Member Gregory Lee nominated Member Bill Noonan for the position of Audit Committee Chair.

Member Bill Noonan nominated Member Gregory Lee for the position of Audit Committee Vice Chair.

Member Gregory Lee moved, seconded by Member George Rapson via telephone, and it was carried by unanimous vote of the voting members present, including Member George Rapson via telephone, to elect Member Bill Noonan as Audit Committee Chair, elect Member Gregory Lee as Audit Committee Vice Chair, and adopt the Audit Committee Charter as presented.

ITEM B. **Appointment of External Audit Firm**

Ed Finger, Chief Financial Officer, requested that the Audit Committee recommend to the Board: 1) The award of RFP #18-4504 External Audit Services, to Piercy Bowler Taylor & Kern (PBTk), Certified Public Accountants, Las Vegas, Nevada for a five-year term; 2) Authorize the Chief Executive Officer to execute the contract documents; and 3) Authorize any residual unexpended balances from this authorization to revert to available general funds.

Fiscal Impact

FY 2019	\$54,500	Estimated expenditure
FY 2020	\$55,500	Estimated expenditure

Chair Bill Noonan asked if Thomas Donahue, President, PBTk, would introduce himself to the Audit Committee.

Mr. Donahue introduced himself and discussed his experience with PBTk. Mr. Donahue also explained his role and duties as Managing Partner for the LVCVA's external audits and expressed his appreciation for the opportunity to work with the LVCVA and the Audit Committee.

Chair Noonan expressed his appreciation to PBTk for the great relationship the LVCVA has had with the firm for the past five years. Chair Noonan also recognized Mr. Ralph Piercy, Former Managing Partner.

Vice Chair Gregory Lee asked Mr. Donahue if he could further explain how the PBTk team rotated, to which Mr. Donahue explained.

Member Peggy Leavitt announced she would abstain on this item due to her relation to Mr. Donahue.

Vice Chair Gregory Lee moved and it was carried by unanimous vote of the voting members present, including Member George Rapson via telephone, with the exception of Member Peggy Leavitt who abstained, to recommend to the Board: 1) The award of RFP #18-4504 External Audit Services, to Piercy Bowler Taylor & Kern (PBTk), Certified Public Accountants, Las Vegas, Nevada for a five-year term; 2) Authorize the Chief Executive Officer to execute the contract documents; and 3) Authorize any residual unexpended balances from this authorization to revert to available general funds.

ITEM C. **Las Vegas Convention Center District (LVCCD) Debt Service Fund Resolution**

Mr. Finger requested the Board of Directors: 1) Approve and adopt the Resolution providing for the creation of a dedicated debt service fund for the Las Vegas Convention Center District (LVCCD) project; 2) Authorize the Chair of the Board to sign the Resolution and necessary documents; and 3) Provide authorization for all other matters relating thereto as defined in the Resolution.

Chair Bill Noonan asked Mr. Finger if the new LVCCD Debt Service Fund Resolution would be audited similarly to all the other Debt Service Funds, to which Mr. Finger stated that the fund would be audited similarly to other Debt Service Funds.

Vice Chair Gregory Lee asked Mr. Finger if the new LVCCD Debt Service Fund was similar to the other funds. Mr. Finger answered this fund would be similar and explained to Vice Chair Lee that all funds that the LVCVA had was governed by the Investment Policy and other financial policies of the LVCVA.

Member Peggy Leavitt moved and it was carried by unanimous vote of the voting members present to recommend to the Board: 1) Approve and adopt the Resolution providing for the creation of a dedicated debt service fund for the Las Vegas Convention Center District (LVCCD) project; 2) Authorize the Chair of the Board to sign the Resolution and necessary documents; and 3) Provide authorization for all other matters relating thereto as defined in the Resolution.

ITEM D. **Proposed Changes to Policies**

Mr. Finger requested that the Audit Committee approve the adoption of proposed updates to the LVCVA Investment Policy and recommend approval by the Board of Directors.

Chair Bill Noonan asked Mr. Finger if any departments besides the Finance Department reviewed the proposed policy changes and asked if Legal Counsel had reviewed the changes as well.

Mr. Puschnig stated he had reviewed the proposed policy changes.

Mr. Finger also explained to Chair Noonan that there was an Investment Policy Committee that reviewed any proposed changes to the Investment Policy. Mr. Finger went on to explain that the Committee is primarily made up of financial people, but also required to have other department professionals within in the organization on it., He stated they also relied on language in other peer Investment Policies, specifically Clark County, as it related to the construct of the collateralized investment contract language.

Vice Chair Gregory Lee asked Mr. Finger to confirm that aside from the collateralized guaranteed investment, all other proposed changes were housekeeping changes, to which Mr. Finger confirmed. Vice Chair Lee then inquired if the collateralized guaranteed investment was a new nomenclature or a new type of investment, to which Mr. Finger answered that it was

Chair Noonan stated that he was glad to see that there was a high coverage rate on the collateralized guaranteed investment, to which Mr. Finger added as part of LVCVA policy, that that type of investment statutorily requires collateral holdings to meet specific coverage requirements. Chair Noonan also asked if there was a notification process to keep track of where the collateralized investment level stands, to which Mr. Finger answered that there was a notification process.

Vice Chair Gregory Lee moved and it was carried by unanimous vote of the voting members present to approve the adoption of proposed updates to the LVCVA Investment Policy and recommend approval by the Board of Directors.

ITEM E. **Internal Auditor's Report**

Mr. Carroll delivered a PowerPoint presentation updating the Committee on Internal Audit activities.

Chair Bill Noonan asked Jerry Carroll, Audit Consultant, to introduce the Internal Audit Staff. Mr. Carroll expressed his appreciation for the opportunity to work with the Audit Committee and congratulated Chair Noonan and Vice Chair Gregory Lee on being nominated and elected as Chair and Vice Chair of the Audit Committee. Mr. Carroll introduced the Internal Audit Staff who consists of Austin Hunt, Internal Auditor, Justin Tully, Internal Auditor, and Tony Simos, Internal Auditor.

Vice Chair Gregory Lee inquired about the purchasing contracts audit regarding buyer access profiles in the LVCVA's accounting system, EDEN, and asked if a terminated employee would still be able to access buyer profiles in EDEN offline, to which Mr. Carroll answered that when an employee is terminated, the Information Technology Department takes away their network access to the LVCVA and that a terminated employee would not be able to access buyer profiles in EDEN offline.

Member Peggy Leavitt asked Mr. Carroll to explain what super user access means in EDEN, to which Mr. Carroll outlined.

Chair Noonan said that he had made suggestions to Mr. Carroll regarding working with the Purchasing Department to establish a certain timeframe a terminated employee would still have access in the EDEN system and asked if there were any conclusions to his suggestions. Mr. Carroll stated he was in the process of reaching a conclusion on Mr. Noonan's suggestions, to which Mr. Finger confirmed.

Chair Noonan asked if the Worker's Compensation audit would be a priority review in the next audit cycle, to which Mr. Carroll confirmed that it would.

Mr. Carroll gave an update on the 2017 Audit Plan and updated the Committee on the recruitment process for the Vice President of Internal Audit position.

Mr. Finger expressed his appreciation of the efforts Mr. Carroll had contributed to the Internal Audit Department.

Chair Noonan expressed his appreciation to Mr. Carroll and the Internal Audit staff.

Member Leavitt commended the Internal Audit staff and complimented them on the level of detail included in the Internal Audit Report. She also noted that there were no audit findings on the LVCVA's credit card travel and expense reports, to which Mr. Carroll agreed.

This was an information item. Not an action item.

SET NEXT MEETING DATE

The next Audit Committee will be at the call of the Chair.

DIRECTORS' RECOGNITION

There were no comments from the Directors.

COMMENTS FROM THE FLOOR BY THE PUBLIC

There were no comments from the floor by the public.

ADJOURNMENT

Chair Bill Noonan adjourned the meeting at 11:55 a.m.

Respectfully submitted,

Date Approved: April 25, 2018

Christal Harrison
Assistant to the Board of Directors

Bill Noonan
Audit Committee Chair