

SUMMARY MINUTES
RISK MANAGEMENT COMMITTEE
MEETING OF MARCH 19, 2014

Ms. Wells chaired the March 19 Risk Management Committee Meeting, calling it to order at 8:03 a.m. A quorum was present during the Meeting: Mr. Adams, Co-Chair, Mr. Chapman, Mr. Griffin, Ms. Hall, Ms. Merrick and Mr. Conner, *ex officio*. Mr. Carter, Mr. Curto, Mr. Davis. Ms. Lang, Mr. McDermott, Mr. Session and Mr. Williams were also present.

The Committee met in executive session to receive an update on the PricewaterhouseCoopers' Financial Statement Audit and information on another audit.

The Committee recessed its Meeting.

At 12:35 p.m., Mr. Adams reconvened the Risk Management Committee meeting and noted that a quorum was present.

Valerie Holt, Vice President for Audit, presented three audit reports: Procurement Card (P-Card), Travel Expenses and Taxi Dispatch. The audit reports provided for the day's Meeting included background information, objectives, conclusions and recommendations. Ms. Holt stated that internal controls for the P-Card program are working well. Ms. Holt noted one issue regarding frequency of micro-purchases from the same vendors and not providing sufficient opportunities for small purchase vendors throughout the region to participate in the P-Card program. She reported that management had already converted some items to basic purchase agreements to better ensure more competitive opportunities. Ms. Holt stated that the Office of Audit would conduct a further review of areas where these extensive purchases had been made and she would present additional information at a future meeting.

With respect to Travel Expenses, Ms. Holt reported that transactions from January to June 2013 had been audited. She noted that a few employees had not adhered to the policy requirements of submitting travel expense reports and unused balances of travel advances within the 30-day provision. Ms. Holt reported that adjustments had been made requiring different levels of review to assure compliance. She noted that staff had also identified an opportunity for the Authority to receive reimbursement for some of the employees' travel, which management is exploring.

Ms. Holt reported that a review of Taxi Dispatch operations had been conducted for February 1, 2012 through January 31, 2013. She stated that the audit had revealed that the taxi dispatch operations had been in compliance and consistent with the contract terms.

Mr. Griffin inquired whether any employees had lost P-Card privileges. Ms. Holt responded that privileges for two employees had been suspended during the review period. She reported that the Office of Finance and the P-Card Administrator had determined the length of suspension or termination of use according to the infraction.

The Meeting was thereupon adjourned at 12:40 p.m.

NOTE: Prior to the start of the day's Meetings, Mr. Conner referred to the agenda and reported that a number of items would be presented in executive session – PricewaterhouseCoopers Financial Statement Audit Update (Tab 1); an audit (Tab 2); personnel matters (Tab 3); and a recommendation regarding selecting Senior Book-running Manager, Co-Senior Manager and Co-Managers for the Airport System Revenue and Refunding Bonds, Series 2014A (Tab 4). To simplify the process for the audience and to minimize the number of exits and re-entries, the Committees will meet in consecutive executive sessions rather than adjourning and re-convening. The first public meeting of the day would occur at the conclusion of the Finance Committee executive session, at approximately 9:00 a.m.

[Pursuant to Article IX, Sections 3(g)(a)(c), the Authority Bylaws permits the Board and its Committees to move into executive sessions for (1) matters that the professional standards applicable to financial statement auditors, when conducting a financial statement audit and for matters that involve proprietary or confidential vendors; (2) personnel matters such as employment, appointment, assignment, promotion, demotion, performance appraisal, discipline, resignation, salaries and benefits, and interviews of Directors, officers, and employees of the Authority, and applicants for the same; and (3) consideration of existing or prospective contracts, business or legal relationships to protect proprietary or confidential information of the Authority, any person or company; the financial interest of the Authority; or the negotiating position of the Authority.]