

**CALL TO ORDER**

The California Travel and Tourism Commission’s (CTTC) Audit Committee Meeting was held in Sacramento, California at 2:05 pm PDT on April 13, 2016 with Chair Sima Patel presiding.

**Attendance**

<i>Commissioner</i>	<i>Roll Call</i>	<i>Commissioner</i>	<i>Roll Call</i>
<i>Buffo, Gary</i>	<i>Present</i>	<i>Myers, Douglas</i>	<i>Absent</i>
<i>Gallagher, Mike</i>	<i>Present</i>	<i>Patel, Sima (Chair)</i>	<i>Present (via teleconf.)</i>
<i>Jamison, Jay</i>	<i>Present (via teleconf.)</i>	<i>Webster, Benjamin</i>	<i>Present (arrived at 2:15 pm and missed initial roll call)</i>
<i>Muhs, Bob</i>	<i>Absent</i>		

Also in Attendance (for committee meetings only):

Tracy Pagila (Moss Adams), Matt Sabbatini (Visit California), Sonja Spowart (Visit California), Scott Plamondon (Visit California), Alex Vigil (Visit California)

Motion made by Commissioner Jamison to approve the Audit Committee minutes from the January 28, 2016 meeting held in Oakland, California. Seconded by Commissioner Gallagher. Motion unanimously approved.

<i>Commissioner</i>	<i>Vote (Y/N/A)</i>	<i>Commissioner</i>	<i>Vote (Y/N/A)</i>
<i>Buffo, Gary</i>	<i>See below comment</i>	<i>Myers, Douglas</i>	<i>Absent</i>
<i>Gallagher, Mike</i>	<i>Yes</i>	<i>Patel, Sima (Chair)</i>	<i>Yes</i>
<i>Jamison, Jay</i>	<i>Yes</i>	<i>Webster, Benjamin</i>	<i>See below comment</i>
<i>Muhs, Bob</i>	<i>Absent</i>		

Please Note: Commissioner Buffo had not yet been voted into the chair position at this time and therefore did not participate in the vote on the minutes. Commissioner Webster arrived after the minutes vote had taken place.

**Review, Discuss and Vote on Audit Committee Chair**

Chairperson Patel was voted in as the next Chief Fiscal Officer and Treasurer of the Commission at the February 24, 2016 board meeting, thereby vacating the

position of Audit Chairperson. At the February 23, 2016 Executive Committee meeting, Commissioner Buffo was recommended as the new Audit Committee Chair.

Motion made by Commissioner Gallagher to approve Commissioner Buffo as the next Audit Committee Chair for the customary two-year term. Seconded by Commissioner Jamison. Motion unanimously approved.

<i>Commissioner</i>	<i>Vote (Y/N/A)</i>	<i>Commissioner</i>	<i>Vote (Y/N/A)</i>
<i>Buffo, Gary</i>	<i>Abstain</i>	<i>Myers, Douglas</i>	<i>Absent</i>
<i>Gallagher, Mike</i>	<i>Yes</i>	<i>Patel, Sima (Chair)</i>	<i>Yes</i>
<i>Jamison, Jay</i>	<i>Yes</i>	<i>Webster, Benjamin</i>	<i>Yes</i>
<i>Muhs, Bob</i>	<i>Absent</i>		

Commissioner Patel then left the teleconference line for the remainder of the meeting.

**Form 990 Review**

Tracy Paglia (Moss Adams) presented the Form 990 for the period July 1, 2014 to June 30, 2015 to the committee. The Form 990 is a public document which can be viewed by any member of the public. Tracy stated it is prudent to review the document with the Audit Committee before it is submitted to the IRS. The Form 990 will be shared with the rest of the Commission and will be filed with the IRS.

**Audit Committee Charter**

The Audit Committee deemed the charter acceptable provided the verbiage was edited to include an annual review of the Form 990.

Motion by Commissioner Jamison to approve the Audit Committee charter as amended with Form 990 review included. Second by Commissioner Webster. Motion unanimously approved.

<i>Commissioner</i>	<i>Vote (Y/N/A)</i>	<i>Commissioner</i>	<i>Vote (Y/N/A)</i>
<i>Buffo, Gary</i>	<i>Yes</i>	<i>Myers, Douglas</i>	<i>Absent</i>

<i>Gallagher, Mike</i>	<i>Yes</i>	<i>Patel, Sima (Chair)</i>	<i>Absent (left teleconf.)</i>
<i>Jamison, Jay</i>	<i>Yes</i>	<i>Webster, Benjamin</i>	<i>Yes</i>
<i>Muhs, Bob</i>	<i>Absent</i>		

**Audit Committee Charter Matrix**

Commissioner Gallagher inquired about ways Visit California could ramp up to adjust to a large budget increase. Matt Sabbatini responded that the organization has been through substantial budget increases in the past which led to many financial infrastructure changes to help cope with increases of a larger budget. Examples of those enhancements were the hiring of an outside compliance officer, the use of an automated bill processing system and the use of an independent firm to analyze the organization’s financial system to look for efficiency gains.

Committee discussed turnover of key engagement staff on the RINA account to remove complacency from the auditor relationship. Matt Sabbatini confirmed Visit California performed an RFP to make sure the organization is paired with a competent firm. The Committee decided retaining our independent audit firm at this stage would be the prudent decision as it is not unusual to retain an audit firm for a long period of time. Examples of other organizations using their audit firm in excess of 25 years were provided to support that fact. The Committee determined that given the substantial growth of Visit California and the onboarding efforts of the newly recruited finance team members among other factors, staying the course with the incumbent roles of the independent auditor, accounting firm, and compliance vendor of record was prudent at this juncture and for the foreseeable future.

Commissioner Webster also requested a copy of Visit California’s Code of Conduct. Copies will be shared with the Committee during follow up for review.

Motion made by Commissioner Gallagher to approve the Audit Committee charter matrix. Seconded by Commissioner Benjamin Webster. Motion unanimously approved.

<i>Commissioner</i>	<i>Vote (Y/N/A)</i>	<i>Commissioner</i>	<i>Vote (Y/N/A)</i>
<i>Buffo, Gary</i>	<i>Yes</i>	<i>Myers, Douglas</i>	<i>Absent</i>
<i>Gallagher, Mike</i>	<i>Yes</i>	<i>Patel, Sima (Chair)</i>	<i>Absent (left teleconf.)</i>

<i>Jamison, Jay</i>	<i>Yes</i>	<i>Webster, Benjamin</i>	<i>Yes</i>
<i>Muhs, Bob</i>	<i>Absent</i>		

**Audit Committee Internal Control Checklist**

Commissioner Webster had questions regarding drug testing to which Matt Sabbatini responded such testing would be coming shortly in the future for all Visit California staff.

Motion by Commissioner Webster to approve the Audit Committee internal control checklist. Second by Commissioner Gallagher. Motion unanimously approved.

<i>Commissioner</i>	<i>Vote (Y/N/A)</i>	<i>Commissioner</i>	<i>Vote (Y/N/A)</i>
<i>Buffo, Gary</i>	<i>Yes</i>	<i>Myers, Douglas</i>	<i>Absent</i>
<i>Gallagher, Mike</i>	<i>Yes</i>	<i>Patel, Sima (Chair)</i>	<i>Absent (left teleconf.)</i>
<i>Jamison, Jay</i>	<i>Yes</i>	<i>Webster, Benjamin</i>	<i>Yes</i>
<i>Muhs, Bob</i>	<i>Absent</i>		

**OPEN DISCUSSION**

There was no open discussion.

**OTHER MATTERS**

There were no other matters discussed.

**AGENDA ITEMS FOR FUTURE MEETINGS**

Scott Plamondon, Visit California’s in-house counsel brought to the Committee’s attention two potential issues arising from the housing of the State’s assessment staff within Visit California’s office. The item will be put on the next agenda for further discussion.

**PUBLIC COMMENT**

Commissioner Buffo opened the floor for public comment. There was none.

## ADJOURNMENT

Motion by Commissioner Jamison to adjourn the April 13 Audit Committee Meeting. Second by Commissioner Buffo. Motion unanimously approved.

<i>Commissioner</i>	<i>Vote (Y/N/A)</i>	<i>Commissioner</i>	<i>Vote (Y/N/A)</i>
<i>Buffo, Gary</i>	<i>Yes</i>	<i>Myers, Douglas</i>	<i>Absent</i>
<i>Gallagher, Mike</i>	<i>Yes</i>	<i>Patel, Sima (Chair)</i>	<i>Absent (left teleconf.)</i>
<i>Jamison, Jay</i>	<i>Yes</i>	<i>Webster, Benjamin</i>	<i>Yes</i>
<i>Muhs, Bob</i>	<i>Absent</i>		

Meeting was adjourned at 4:23 pm, April 13, 2016.