

TRUCKEE TAHOE AIRPORT DISTRICT
BOARD OF DIRECTORS AGENDA ITEM SUMMARY

Topic: Internal Control Oversight Position

Purpose	Information:	Guidance:	Decision: X
Recommendation	The Board should nominate a member to serve in the Internal Control Oversight position.		
Last Action	<p>At the December 17, 2009 meeting of the Board of Directors, Mr. Bob McClintock (District Auditor at that time) stated the following:</p> <p style="padding-left: 40px;"><i>Mr. McClintock commented that the District has a limited accounting staff, that staff conducts numerous duties and that staff has done a good job of executing these duties. He urged the Board to review the balance sheets and bank statements as a general rule.</i></p> <p>At the February 25, 2010 meeting President Korth reported:</p> <p style="padding-left: 40px;"><i>...that the Ad-Hoc Governance and Finance Sub-committee nominated Director Hetherington for the Internal Control Oversight position. Director Hetherington would be the assigned Board member asked to carry out certain functions and report back to the Board during a scheduled Regular Board meeting.</i></p> <p>Director Hetherington has served in this capacity since that time, making intermittent reports to the Board.</p>		
Discussion	<p>Due to the small size of the District's accounting staff, an ideal segregation of duties cannot be obtained. To help mitigate the internal control risk brought on by this condition, the District has a Director serve in an oversight position, performing reviews of some of the District's key financial and accounting documents. Prior to Director Hetherington performing this function, the Assistant General Manager performed spot checks of the bank reconciliation and transfers – although there was no official reporting to the Board of Directors.</p> <p>When Director Hetherington assumed the duties, she discussed the process with our outside auditor. The Director who takes on this position should consult with our current auditor to obtain any input he may have for the program.</p> <p>Ideally the reviews will occur four times a year.</p>		
Fiscal Impact	None.		
Communication Strategy	The Director who serves as in the Internal Control Oversight position will draft up a report of their findings and present it to the Board of Directors. The reports are also given to our auditors.		
Attachments	None		