



CONVENTION AND VISITORS AUTHORITY

Audit Committee Meeting  
Thursday, February 12, 2008  
Minutes

The Audit Committee of the Board of Directors of the Las Vegas Convention and Visitors Authority met on the 12<sup>th</sup> day of February 2008 at the Las Vegas Convention Center in the Board Room, at 3150 Paradise Road, Las Vegas, Nevada. This meeting had been properly noticed and posted in compliance with the “Nevada Open Meeting Law.”

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## **I. OPENING CEREMONIES**

### **CALL TO ORDER**

Committee Chair Keith Smith called the meeting to order at 10:36 a.m. On roll call the all of the committee members were present.

Committee Members Present	Mr. Keith Smith, Committee Chair Councilman Larry Brown Commissioner Tom Collins Mayor Michael Montandon Mr. Tom Jenkin
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LVCVA Executive Staff in Attendance	Rossi Ralenkotter, President/CEO Terry Jicinsky, Senior Vice President - Marketing E. James Gans, Senior Vice President - Operations Luke Puschnig, Legal Counsel Brenda Siddall, Vice President – Finance Jon Reese, Director – Internal Audit
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## **II. APPROVAL OF THE AGENDA / MINUTES**

**Member Larry Brown moved and it was carried by unanimous vote of the members present to approve the February 12, 2008 Audit Committee Meeting Agenda and the Minutes of the October 25, 2007 meeting as presented.**

### **III. STAFF REPORTS**

#### **INTERNAL AUDIT DEPARTMENT**

##### **INTERNAL AUDITOR'S REPORT**

The Director of Internal Audit Jon Reese updated the committee on the internal audit activities since the last meeting. Included in the oral report, as well as in the back-up documentation, were details of the following audits:

- Personnel Audit (Human Resources Department)
- Quarterly Expense Report Audit
- Leave Request Audit
- Quarterly Accounts Payable Audit
- Payroll Data Extractions
- Non-Bargaining Productivity Bonus Audit

This is an information item. No committee action required.

##### **AUDIT COMMITTEE CHARTER**

The Audit Committee Charter was adopted by the Audit Committee at their October 25, 2004 meeting and adopted as modified by the Board of Directors on December 14, 2004. The Audit Committee Chair had requested that the Committee review the Audit Committee Charter.

The Committee reviewed and discussed the Charter in detail. There were a few minor changes to the Charter requested:

##### **II. Authority**

- 1f. *Review all auditing and permitted non-audit services performed by the LVCVA's independent audit firm*

##### **Committee Request:**

Put a process in place where if the audit firm or staff were to request non-audit services performed by the independent audit firm, that request would come before the Audit Committee for review.

##### **III. Composition**

- ... at least one (1) member shall be designated as a "financial expert".

##### **Committee Action:**

**Member Larry Brown moved and it was carried by unanimous vote of the members present to appoint Committee Chair Keith Smith as the "Financial Expert".**

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AUDIT  
COMMITTEE  
CHARTER  
(Continued)

V. Responsibilities

Internal Control

1. *Review the internal and independent auditors' assessment of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's response.*

Committee Request:

Include a brief statement from staff on management's responses on issues noted in the Internal Audit Report.

Compliance

1. *Review management's evaluation of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) or any instances of noncompliance.*

Committee Request:

Include a brief report from Legal Counsel on this as well.

- 2b. *For encouraging the confidential and anonymous submission by employees of the LVCVA concerns regarding questionable accounting or auditing matters*

Committee Request:

Staff to review this and determine the relevance and importance of this item, and bring it back to the Audit Committee to determine whether to keep this item or remove it from the Charter.

**FINANCE DEPARTMENT**

SELECTION OF  
INDEPENDENT  
AUDIT FIRM

On May 8, 2007, based on the Audit Committee's recommendation, the Board of Directors designated the firm of *Piercy, Bowler, Taylor & Kern* as the independent audit firm for a 5-year contract. The firm performed the annual audit for the fiscal year ending June 30, 2007. Four years remain on the 5-year contract.

Fiscal Impact:

FY 2008/2009 Estimated Expenditure: \$36,850

Members Larry Brown and Michael Montandon disclosed that they have used this firm to handle financial reporting during their campaign for office, and that Legal Counsel advised that they can vote on this item.

**Committee Member Michael Montandon moved and it was carried by unanimous vote of the members present to recommend to the Board of Directors the reappointment of *Piercy, Bowler, Taylor & Kern* as the independent audit firm for fiscal year 2008 at a fee of \$36,850.**

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**FINANCE DEPARTMENT (Continued)**

**INVESTMENT POLICY  
CHANGES**

The LVCVA Investment Committee recommended the following changes to the Investment Policy:

1. Current policy:

*An investment committee consisting of the Senior Vice President of Operations, Vice President of Finance, Financial Resources Manager, and two Financial Analysts, meets periodically to review and approve financial institutions and broker/dealers, analyze the LGIP portfolio and money market funds, review a quarterly investment report, and recommend changes to the Investment Policy.*

Recommended Policy:

*Replace the Senior Vice President of Operations with a member of the Internal Audit Department on the Investment Committee, to provide of a member outside the Operations Division.*

Staff reported that Senior Vice President of Marketing has graciously consented to serve on the Internal Investment Committee, replacing the Senior Vice President of Operations.

**Member Larry Brown moved and it was carried by unanimous vote of the Committee members to approve to recommend to the Board of Directors to replace the Senior Vice President of Operations with someone outside of the Operations Division.**

2. Current Policy:

*Significant changes to the Investment Policy will be presented to the Board of Directors of the LVCVA.*

Recommended Policy:

*Replace the Board of Directors with the Audit Committee as approvers of recommended changes to the Investment Policy, to allow for more detailed consideration.*

**There was no change to the current policy. No action was taken on this item.**

3. Current Policy:

*Investments in securities maturing more than 2 years from the date of settlement are prohibited.*

Recommended Policy:

*Allow Investments in securities with maturity dates of up to 5 years, to provide more flexibility, particularly with capital funds.*

**Committee Chair Keith Smith moved and it was carried by unanimous vote of the Committee members to recommend to the Board of Directors for possible action to extend maturities up to five years, limited to 10% of the investment balance.**

#### **IV. SCHEDULE NEXT MEETING**

The next Audit Committee meeting is scheduled be held on June 10, 2008, or at the call of the Chair.

#### **V. DIRECTORS' RECOGNITION**

There were no additional comments from the Committee Members.

#### **VI. COMMENTS FROM THE FLOOR BY THE PUBLIC**

There were no comments from the floor by the public.

#### **VII. ADJOURNMENT**

There being no further business to come before the Audit Committee, Chairman Keith Smith adjourned the meeting at 11:08 a.m.

Respectfully submitted,

Date Approved: March 11, 2008

(S)  
Carol Fergen  
Executive Assistant to the Board

(S)  
Keith Smith  
Audit Committee Chair