



Oregon

**State Board of Examiners for
Engineering & Land Surveying**

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FINANCE COMMITTEE

Minutes of Meeting

April 11, 2014

Members present:

Ken Hoffine, Chair

Sue Newstetter

Members absent:

William Boyd (excused)

Staff present:

Mari Lopez, Administrator

Jenn Gilbert, Executive Assistant

Joy Pariente

Others present:

Warren Foote, Assistant Attorney General

Shelly Duquette (Observer)

Anne Hillyer (Observer)

The meeting of the Finance Committee was called to order at 1:05 p.m. in the OSBEELS Conference Room at 670 Hawthorne Avenue SE, Suite 220, Salem, OR 97301. The Committee meeting occurred out of scheduled order to accommodate guests present for the Oregon Specific Examination Task Force meeting.

Public Comment

There were no public comments.

New Business

[2011-2013 Biennial Audit](#)

The Committee reviewed the final draft of the 2011-2013 Biennial Financial Report, conducted by Talbot, Korvola & Warwick, LLP. Mr. Hoffine noted that he appreciated the Independent Auditor's Report section because it was informational and increased his understanding of the audit process and purpose. He said he thought this section would be a valuable addition to the handbooks given to new Board members to help them understand the audits conducted on semi-independent agencies.

Mr. Hoffine said he was concerned about the increase in funds going to PERS for employees.

Ms. Gilbert noted that these rates are outside of agency control and are determined by the PERS

board. Mr. Hoffine said he understood that factor, but he wanted Staff and Board members to remain aware of this increase when considering future financial expenditures. Mr. Hoffine also inquired about a \$1.4 million variance in the fund balance at the end of the year. He asked if that money had been earmarked for business continuity or information technology expenses and moved to a separate accounting category. Ms. Lopez said she and Ms. Gilbert will review the Board minutes to determine how that money may have been allotted. Mr. Hoffine requested the review be completed prior to the May Board meeting so he can accurately answer any questions from his fellow Board members regarding the variance.

Mr. Hoffine also noted concerns about internal controls related to a matter mentioned in the audit. Ms. Lopez explained the immediate actions taken and additional controls put into place, along with the desire to purchase three secure depository safes for cash, credit card and check payments to increase security. Ms. Newstetter commended management on their timely and effective actions to resolve the situation. There was no further discussion.

Staff Update: In conducting further research regarding the \$1.4 million variance, it was discovered that the auditors incorrectly stated the fund balance at the beginning of the 2011 – 2013 biennium. The amount included in the original report on [page 14 was \\$3,174,624 which should be \\$2,063,497](#); actual [variance of \\$333,321](#). Staff requested a revision and has contacted the Legislative Fiscal Office and the Secretary of State Audits Division to update the report.

Consider RFP for accounting assistance

Ms. Newstetter said she was very supportive of retaining accounting assistance from an individual familiar with U.S. GAAP requirements and government auditing standards to assist Staff with financial accounting and reporting. Ms. Lopez said this is also something the auditors noted they would like to see from the agency in the future. She said the accounting duties are adequately separated, but assistance with reconciling payroll and other financial records would be helpful in ensuring compliance and accuracy in accounting services from DAS. Ms. Newstetter noted that this contractor may also help with an area of concern from the audit – the agency not presenting the “Management’s Discussion and Analysis” required by U.S. GAAP. Ms. Lopez asked if this individual should be a full-time employee. Ms. Newstetter said a contracted position should be sufficient. Mr. Hoffine noted that having an outside individual dedicated to financial tasks would give Ms. Gilbert more free time to focus on personnel-related tasks, such as recruiting, hiring and addressing employee needs to help prevent future incidences like the one referenced in the audit. Staff was directed to provide language from the previous RFP to the Committee during the June meeting. There was no further discussion.

Unfinished Business

[Mission, Functions and Goals – Yearly review](#)

Ms. Newstetter requested the addition of the RFP discussed above to the list of Committee goals. The Committee recommends the Board approve the Mission, Functions and Goals statement, as revised. There was no additional discussion.

[Review of Financial Information](#)

After reviewing the provided documentation, the Committee had no comments or concerns relating to the Board’s financial information. There was no additional discussion.

The meeting adjourned at 1:27 p.m.