

**PUBLIC RISK INNOVATION, SOLUTIONS, & MANAGEMENT  
(PRISM)**

**FINANCE COMMITTEE**

**MEETING SUMMARY**

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Web Conference/Telephonic Meeting

Monday, September 26, 2022

9:00 a.m.

Fourth Meeting – 2022

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**Members Present**

Erike Young, CIRA  
Steven Chandler, Kern County Hospital Authority  
Mike James, City of El Cajon  
Frank Williamson, MPA  
Rafael Trujillo, City of Rialto  
Sharon Vishwa, SMCSIG – Alt.  
Jennifer Chilton, SDRMA  
Nathan Black, Sutter County  
Sean Houghtby, Tehama County – Alt.

**Members Absent**

None

**Amendments to the Investment Policy Authorizing Participation in the California Asset Management Program (CAMP)**

The Committee recommended to the Executive Committee and Board of Directors to approve the amendments to the Investment Policy authorizing PRISM's participation in the CAMP. CAMP is a California Joint Powers Authority (JPA) established in 1989 to serve California public agencies. The CAMP pool is an alternative to Local Agency Investment Fund (LAIF). Both are California public agencies and must comply with California code. However, the CAMP pool is managed with a shorter duration than LAIF, so in times of rising interest rates, its yield is superior to that of LAIF. Opening a CAMP account will provide PRISM with another option of where to invest its liquid funds.

**Re-evaluate Internal Borrowing Rate Calculation Methodology**

The Committee ratified the Internal Borrowing Rate for 2022/23 with no changes. PRISM has an Inter-Fund Borrowing Policy, wherein a program can temporarily borrow funds from PRISM Treasury. This rate, which is currently based on purchase yield of PRISM portfolios, is also used to bill the members who chose to pay premiums in installment as well as interest on late payments. Discussion ensued on whether the internal borrowing rate that was set in February 2022 for FY 2022/23 should be changed based on market conditions or not and the committee decided to not make that change mid-year. In the future, Chandler Asset Management and staff has recommended to add a spread to the internal borrowing rate to be more representative of current yields in market environments where interest rates are poised to increase.

### **Audit Committee Communication with the Auditor**

The Public Company Accounting Oversight Board (PCAOB) adopted a new auditing standard in August 2012, Standard No. 16 Communications with Audit Committees, to promote communications between the Auditor and the Audit Committee. Representatives from Gilbert CPA, the PRISM auditors, were at the meeting to discuss any questions and/or concerns from the Finance Committee, who sits as the Audit Committee.

The Auditor reviewed the audit deliverables and timeline, evaluation of risk and materiality, communications with those charged with governance, and the engagement team. The Auditors asked the Committee about their perception on the risk of fraud at PRISM. The Committee informed the Auditors that they have no knowledge of any fraud, non-compliance, or potential risk of fraud. At the conclusion of the audit, the Auditors will provide the Committee with audited financial statements and information regarding the results of the audit to assist the Committee in the oversight of management's financial reporting and the disclosure process.

### **Other Matters:**

- 2023 Meeting Schedule was approved with amendment of the February meeting be moved to Tuesday, February 14<sup>th</sup>.
- Staff from the Member Services Department provided an update on new and upcoming member services.

### **Future Meetings**

The next regularly scheduled meeting is on ***Thursday, December 8, 2022***, at ***10:30 a.m.***, to be held via ***Web Conference***.