

**Wisconsin Economic Development Corporation
Meeting of the Audit Committee**

**WEDC
Sixth Floor Conference Room
201 West Washington Avenue
Madison, WI 53703**

**November 9, 2018
10:00 - 11:00 A.M.**

(These minutes should be read in conjunction with the agenda and documents prepared for the meeting.)

AUDIT COMMITTEE MEMBERS PRESENT VIA TELECONFERENCE:

- Ray Dreger, Seeds 'N Stuff Farm Market, Inc.
- Randy Hopper, Mountain Dog Media

AUDIT COMMITTEE MEMBERS IN PERSON:

- David Drury, WING Capital Group (Chair)

AUDIT COMMITTEE MEMBERS EXCUSED:

- Representative Rob Hutton, 13th Assembly District
- Representative Dana Wachs, 91st Assembly District

CALL TO ORDER AND ROLL CALL

Audit Committee Chair David Drury called the meeting to order at 10:00 a.m.

David Drury requested a motion to approve the minutes from the June 28, 2018 meeting. Motion was made by Ray Dreger with a second by Randy Hopper. The motion to approve the minutes was passed unanimously.

COMPLIANCE REPORT

Brooklyn Mashaw presented and the committee discussed the FY19 Q1 Compliance Plan Report. The FY19 Compliance Plan is organized by the following essential elements of a compliance plan: compliance oversight, education and training, monitoring and auditing, and reporting, investigating and outcomes. Brooklyn addressed updates to each of the prementioned areas as well as their implementation to the committee.

AUDIT OF ANNUAL PERFORMANCE MEASUREMENT FOR WEDC AWARDS

CFO Brian Nowicki introduced Bill Judd and Jake Lenell from Clifton Larson Allen (CLA) to present on the Audit of Annual Performance Measurement for WEDC Awards. CLA was engaged to “perform an adequate sample selection, and verify, through source documentation obtained directly from selected Awardees, that the information provided by the Awardee to WEDC, under both performance reports and compliance/workbook reports, is accurate and complete”. CLA presented on the process in which the awardees from FY17 were selected, source documentation to support information within the Performance Report and Compliance Workbook was requested, and documentation providing supporting information was reported to WEDC.

CLA found that 63.2% of the Awardees provided documentation with no exceptions. 3.2% had paid off the loan, withdrew from their award contract, or had their award contract revoked. 2.4% did not respond or responded but did not provide the requested information, and 31.2% reported some form of exceptions. Narrowing the population to exceptions that had a negative effect on reported outcomes, the exception rate falls to 8%. The total net effect on jobs reporting in our ARED database was a net loss of 11 jobs on 37,422 jobs verified.

David Drury requested a motion to vote on the recommendation to the Board regarding the Audit of Annual Performance Measurement for WEDC Awards. Motion was made by Randy Hopper with a second by Ray Dreger. The motion to recommend the Audit of Annual Performance Measurement for WEDC Awards was passed unanimously.

YEAR END COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)

Dan Berg from Sikich presented the CAFR, Management Communications Letter, and Federal Single Audit to the Committee. Sikich issued a ‘clean opinion’ of WEDC. They did not encounter any difficulties in performing their audit, there were no disagreements with WEDC management, and there were no management issues or adjusting journal entries reported.

CLOSED SESSION

David Drury requested a motion to approve entering closed session to discuss specific personnel matters. Motion was made by Ray Dreger with a second by Randy Hopper. The motion to enter closed session was passed unanimously. All WEDC staff and attendees exited the room and reconvened upon conclusion of the closed session deliberations.

Members of the public excused themselves for closed session.

There are no separate minutes for closed session as WEDC staff was excused.

RESUMPTION OF OPEN MEETING

David Drury requested a motion to open the meeting. A motion was made by Ray Dreger with a second by Randy Hopper. The motion to open session was passed unanimously. The meeting reconvened in open session at 11:07 a.m.

David Drury requested a motion to recommend the CAFR to the Board. A motion was made by Ray Dreger with a second by Randy Hopper.

ADJOURNMENT

David Drury requested a motion to adjourn the meeting. A motion was made by Ray Dreger with a second by Randy Hopper. The motion to adjourn was passed unanimously. David Drury adjourned the meeting at 11:09 a.m.