



# Agenda Report

July 14, 2016

**TO:** Rose Bowl Operating Company (through Finance Committee)  
**FROM:** Darryl Dunn, General Manager  
**SUBJECT:** Approval of the Finance and Audit Committee Charters

## RECOMMENDATION

It is recommended that the Board of the RBOC review and approve the Finance and Audit Committee Charters that describe and distinguish the roles of the two Committees.

## BACKGROUND

During the fiscal year 2015, auditors recommended that the RBOC adopt Finance and Audit Committee Charters to describe and distinguish the roles of the two Committees.

Each committee's description is attached.

## FISCAL IMPACT

There is no fiscal impact related to this action.

Respectfully submitted:

*DD*  
Darryl Dunn  
General Manager

**ROSE BOWL OPERATING CO. (RBOC)  
FINANCE COMMITTEE CHARTER**

- I. FINANCE COMMITTEE DESCRIPTION:** To oversee the management of RBOC financial resources, and develop policies related to all financial, internal controls and other financial matters. To ensure the cost effective use of RBOC assets.
- II. MEMBERSHIP:** The Committee shall be composed of up to five (5) members of the RBOC Board, after nomination and appointment by the Board, and Committee Chair is selected by the Board President. A majority of the members of the Committee shall be present to constitute a quorum, and no action of the Committee shall be valid without the affirmative vote of at least 2 members. Staff support shall be provided by RBOC's General Manager, Chief Financial Officer and Controller.

**III. MEETINGS AND OTHER ACTIONS:**

The Committee shall conduct regular meetings on the last Wednesday of each month at 5 pm at Brookside Golf Course Clubhouse, located at 1133 Rosemont Avenue, Pasadena CA, and special meetings at a time and location as the Chair determines necessary or appropriate. Meetings may be called by the Chair, or by a committee member appointed by the Chair. Meetings actions are reported to the RBOC Board of Directors.

The RBOC Staff shall keep regular minutes of all Committee proceedings and report minutes to the Committee. The minutes of each meeting shall be reviewed and approved by the Committee. The approved minutes shall become a permanent record and maintained by Staff.

Meetings are adjourned by the Chair or Chair appointed committee member.

**IV. DUTIES AND RESPONSIBILITIES:**

- a. Review and implement the internal budgeting process.
- b. Review and develop financial management policies including, but not limited to, capitalization and budgeting.
- c. Review adherence to City of Pasadena procurement policies and business expense policies.

- d. Review Audit Committee recommendations of the audit progress, annual financial audit report, and deficiencies; and make recommendations regarding remediation plans.
- e. Review interface with City of Pasadena Finance Department regarding investment and bond policies.
- f. Conduct special reviews of selected spending areas.
- g. Review and monitor annual operating and capital budgets.
- h. Review the financial performance of events and major projects.
- i. Ensure the proper liability recognition and payment is made annually to the employee pension plans.
- j. Review risks associated with significant claims, threatened claims or legal matters.
- k. Review business risk assessments and determine insurance needs.
- l. Review funding options for recommended capital needs and upgrades.
- m. Any other related matters which the Board determines are within the scope of the Committee's review.

**ROSE BOWL OPERATING CO. ("RBOC")  
AUDIT COMMITTEE CHARTER**

**AUDIT COMMITTEE DESCRIPTION:**

The role of the Audit Committee is to ensure that the organization's financial systems are reviewed by an independent outsider so that, as a result of the auditor's report, the Board obtains independent information about the RBOC's activities.

While members of the RBOC Finance Committee may serve on the Audit Committee, the Audit Committee shall be its own Committee. Notwithstanding any other requirements herein, Audit Committee membership and duties shall comply with the requirements of Government Code § 12586(e)(2) and any other applicable laws.

- I. MEMBERSHIP:** The Committee shall be composed annually, in accordance with the requirements of Government Code Section 12586 or any other applicable state law. The Committee shall contain (4) four members selected after nomination and appointment by the Board Chairman, and membership of the Committee shall comply with the following requirements:
- a. The Committee may include persons who are not members of the RBOC Board of Directors, but shall not include any members of the RBOC staff.
  - b. The chairperson of the Audit Committee may not be a member of the Finance Committee.
  - c. Members of the Finance Committee shall constitute less than one-half of the membership of the Audit Committee.
- II. MEETINGS AND OTHER ACTIONS:** The Committee meetings shall comply with the Ralph M. Brown Act (Gov't Code §§ 54950 et. seq.), which dates/times shall be selected by the appointed Committee members as necessary. Meetings may be called by the Chair, or by a Committee member appointed by the Chair. A majority of the members of the Committee shall be present to constitute a quorum. Meetings actions are reported to the RBOC Finance Committee.

Staff support shall be provided by the RBOC General Manger, Chief Financial Officer and Controller. The RBOC Staff shall keep regular minutes of all Committee proceedings and report minutes to the Committee. The minutes of each meeting shall be reviewed and approved by the Committee. The approved minutes shall become a permanent record and maintained by Staff.

Meetings are adjourned by the Chair or Chair appointed committee member.

**III. RESPONSIBILITIES:**

- a. If and only if the independent auditor is not appointed by the City of Pasadena, to recommend to the Board the retention and termination of an independent auditor. This may include interviewing auditors, reviewing bids, recommending selection of an auditor.

- b. To negotiate compensation of the auditors on behalf of the Board.
- c. To confer with the auditor to satisfy committee members that the financial affairs of the RBOC are in order.
- d. To review and determine whether to accept the audit report; and to monitor the RBOC's response to the auditor's recommendations.
- e. To approve performance of any non-audit services by the auditing firm.
- f. To meet regularly enough to be able to carry out the preceding responsibilities of the committee.

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