

**MANAGING MEMBERS**  
**UPDATED STAFF BRIEFING**

Item No.: 4D  
Date of Meeting: September 10, 2018

**DATE:** September 5, 2018

**TO:** Managing Members

**CC:** John Wolfe, Carolyn Lake, Tom Tanaka, Kurt Beckett, Don Esterbrook, Tong Zhu, Jean West, Dustin Stoker, Dakota Chamberlain, Dan Thomas

**FROM:** Erin Galeno, CFAO

**SUBJECT:** NWSA Audit Committee Discussion of Organizational Risk and Potential Future Audit Activities

**A. BRIEFING REQUESTED**

This memo is intended provide an overview of the Risk Assessment work that was performed on behalf of the NWSA and management's review of key compensating controls.

**B. BACKGROUND**

In 2016, the Managing Members approved a recommendation by the NWSA Audit Committee to conduct an independent Risk Assessment of the newly formed NWSA.

RSM was selected to perform the work through a public procurement process.

The scope of this work was to conduct a high-level assessment of the potential risks to the NWSA.

- RSM gathered information through a combination of interviews and workshops.
- This review included input about key risks, the potential impact and the likelihood of an occurrence.
- This assessment did not include testing associated with any of the identified risks.

**C. NEXT STEPS**

The audit committee will engage in a discussion of potential future audit activities for the NWSA.