

**Finance and Audit Committee Meeting
New Mexico Lottery Authority
May 24, 2023**

MINUTES

Call to Order: Committee Chair Paul Guerin called the meeting to order at 10:06 a.m. and asked for a roll call. Present via virtual platform and constituting a quorum were Paul Guerin, Leo Romero, and Othiamba Umi.

Introductions: NMLA staff present were Carolyn Cabell, Michael Boland, and Wilma Atencio.

Approval of Proposed Agenda: L. Romero made a motion to approve the proposed agenda; O. Umi seconded the motion. Motion carried 3-0.

Public Comment: None.

REPORTS:

FY 2023 Financial Audit Services RFP: M. Boland reported that a memorandum was provided to the Committee outlining the Financial Audit Services Request for Proposals (RFP) process.

M. Boland reported that the Lottery issued an RFP for its Financial Audit Services, as the current firm chose not to accept an extension due to staffing at their firm. The Lottery issued the RFP on April 10 and received two proposals on May 5 from Moss Adams, LLP and CliftonLarsonAllen, LLP (CLA). The CEO appointed an evaluation committee who reviewed and vetted the qualified proposals. A consensus score was derived for both proposals. The evaluation committee recommends the Finance and Audit Committee approve Moss Adams LLP as the successful offeror, as they had the highest evaluation point total.

L. Romero asked what the terms of the contract are. M. Boland responded that it is a one-year contract, with the potential for two one-year extensions.

L. Romero asked if the price would increase at renewal. M. Boland responded that the cost proposal accounted for the contract amount for each year. There would be an increase in year two and year three, if the extensions are exercised.

O. Umi asked if both offerors had previous experience in providing financial audit services for the Lottery. M. Boland responded that both CLA and Moss Adams had provided financial audit services for the Lottery for several years.

O. Umi inquired based on the point difference, if there was something unique about Moss Adams that stood out. M. Boland responded that both firms were qualified, and that the evaluation committee would have been happy with either firm.

P. Guerin asked which firm was the most recent external auditor for the Lottery. M. Boland responded that CLA had most recently worked with the Lottery, and that the lead employee who worked on the Lottery contract from CLA is now at Moss Adams. L. Romero whether that employee is subject to a non-compete clause. M. Boland responded that he was not aware of such a conflict.

P. Guerin requested the next steps from the Lottery. W. Atencio reported that the full Board approved a motion at the March 23 Board of Directors meeting that authorized the Finance and Audit Committee to approve the successful offeror on behalf of the Board so that a contract can be submitted by June 1, 2023.

P. Guerin entertained a motion. L. Romero made a motion that Moss Adams LLP be selected as the successful offeror and be given a contract for financial audit services for FY 2023 with the possibility of two extensions, on behalf of the full Board; P. Guerin seconded the motion. Motion carried 3-0.

Other Items: None.

Adjournment: O. Umi made a motion to adjourn the meeting; L. Romero seconded the motion. Motion carried 3-0. The meeting adjourned at 10:25 a.m.

Paul Guerin

P. Guerin, Committee Chair

Date: 6/22/23