



**DISTRICT OF COLUMBIA  
Water and Sewer Authority  
Board of Directors**

***Audit Committee***

**Friday, December 14, 2007  
10:00 a.m.  
Meeting Minutes**

**COMMITTEE MEMBERS PRESENT**

Timothy Firestine, Chairman  
Kenneth Davis  
Robin Martin

**WASA STAFF PRESENT**

Jerry Johnson, General Manager  
Avis Russell, General Counsel  
Olu Adebo, Acting CFO  
Yvonne Reid, Acting Controller  
Michael Hunter, Director, Internal Audit  
Linda Manley, Secretary to the Board

**Call to Order**

Mr. Firestine called the Audit Committee meeting to order at 10:00 a.m.

**Chairman Opening Comments**

Mr. Firestine noted that any items not covered today would be carried over to the next Audit Committee meeting.

**Internal Auditor's (IA) Report**

Mr. Hunter provided the Committee a status report on the Audit Engagements.

- The completed audits were discussed.
- The "Audit Engagements and Projects Exhibit" was reviewed and there was a consensus that another column is needed to show the Final Completion date.
- The Unplanned Audit Engagements were discussed. It was determined that the Anti-fraud Program review is underway, but has not been finalized.
- IA's role in contract review was discussed and Mr. Hunter explained that it primarily consisted of a review of the overhead rate. Mr. Hunter stated that he received approximately seven requests over the last three years and indicated

that there was an expectation that these requests may increase to maybe forty a year. The Audit Committee questioned if IA should conduct reviews of this type.

- The Internal Auditor proposed a comprehensive enterprise-wide internal controls review for all departments in light of the importance and attention received by many organizations regarding fraud and controls. Mr. Firestine stated that the review should be looked at in composition with the Committee's Annual Work Plan before a recommendation is made by the Audit Committee.

Mr. Firestine stated that the Committee would hear from the External Auditors in open session and then convene into close session with the External Auditors

### **External Auditors Report**

Mr. Lucas, TCBA stated that the Financial Statement Audit and the A133 Audit would be completed before Christmas. TCBA conducted a Financial Statement Audit in the August/September timeframe. Mr. Lucas stated that the audit was running smoothly and there were no significant issues. He also stated that they don't anticipate any major adjustments.

### **Executive Session**

An executive session was called with the External Auditors.

### **Adjournment**

The meeting was reconvened and adjourned at 11:10 am.