



**DISTRICT OF COLUMBIA
Water and Sewer Authority**

**Board of Directors
Audit Committee**

**Thursday, March 24, 2011
9:30 a.m.**

Meeting Minutes

COMMITTEE MEMBERS PRESENT

Timothy Firestine, Interim Chairman
David J. Bardin

DC WATER STAFF PRESENT

Christopher Carew, Chief of Staff
Randy Hayman, General Counsel
John Madrid, Controller
Linda Manley, Board Secretary

THOMPSON, COBB, BAZILIO & ASSOCIATES

Albert Lucas

SC&H GROUP, LLC

Joseph Freiburger

Call to Order [\(Item 1\)](#)

Mr. Firestine called the meeting to order at approximately 9:35 a.m.

Financial Statements – Year End Update [\(Item 2\)](#)

Mr. Madrid expressed that both the financial statement and A-133 audits for this year have been completed by Thompson, Cobb, Bazilio and Associates (TCBA). An unqualified opinion was issued on both and there were no audit adjustments required. Mr. Madrid introduced Mr. Albert Lucas, Partner TCBA to discuss internal control related matters identified during their audit.

Communication of Internal Control Related Matters [\(Item 3\)](#)

Mr. Lucas summarized the internal control related matters emanating from the FY2010. There were a total of five items, two related to P-Cards, one related to Procurement files, one related to time card approvals, and one related to periodic inventory analysis. Mr. Lucas also explained that there were four items last year of which three have been completely resolved and one relating to estimated billing was near completion. Mr. Bardin requested that an update regarding the open item be presented at the next meeting.

Additionally Mr. Bardin requested that the scope of next years external financial statement audit be expanded to include a review of the accounting systems and related allocations of costs amongst suburban jurisdictions.

Summary of Internal Audit Activity – Internal Audit Status (Item 4)

Mr. Freiburger walked through the Internal Update document and provided explanations on the stage of all active audits, analysis of key milestone dates, status of 2011 budgeted hours, and the status of the 2011 audit plan as a whole. Mr. Freiburger explained the actions that were undertaken to follow-up on previous reported audit issues and explained the contents of a chart which showed the status of all audit findings. Mr. Firestine requested that for future meetings that the last row which denotes delinquent items be highlighted in red and that footnotes be provided to explain the status of each of these delinquent items. Mr. Freiburger then inquired if anyone had any questions relative to the two projects which were finalized during this period (Facility Security and Contingency Planning, Pumping & Storage Water Leakage Review).

Committee Agenda for May Meeting (Item 5)

After discussion of the reports the committee requested that the following topics be on the agenda for the next meeting in May.

- Update from Internal Audit
- Update on P-Card oversight in response to TCBA comment
- Update on Security action plans in response to Internal Audit comments
- Update on who provides security to the Washington Aqueduct and if a report is available for review.
- Update regarding definitions to categories listed in table in Pumping & Storage Water Leakage Review Internal Audit Report page four.
- A comparison of our total non revenue water 24.83 % to WSSC results.
- An update on the 3% of meters that are billed through estimation.
- Update on the amount of wastewater coming to Blue Plains from WMATA.

Executive Session

Mr. Firestine called the committee into executive session with only the external and internal auditors present.

Adjournment

The general session was reconvened and hearing no other business the meeting was adjourned at approximately 11:30 a.m.