



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

Audit Committee

**Thursday, June 28, 2012
9:30 a.m.**

Meeting Minutes

COMMITTEE MEMBERS PRESENT

Timothy Firestine, Acting Chair

OTHER BOARD MEMBERS

Joseph Cotruvo
James Patteson

SC&H Group, LLC

Joseph Freiburger

STAFF PRESENT

Chris Carew, Chief of Staff
Randy Hayman, General Counsel
Walter Bailey, Asst GM, Wastewater Treatment
Salil Khakar, Director, Process Engineering
Akile Tesfaye, Director, Wastewater Treatment
Anthony Mack, Director, Maintenance Services
Olu Adebo, Chief Financial Officer
Rosalind Inge, Director, Procurement Services
Linda R. Manley, Board Secretary

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

Mr. Firestine call the Audit Committee meeting to order at 9:35 a.m. Mr. Firestine then turned the meeting over to Mr. Joseph Freiburger.

Summary of Internal Audit Activity – Internal Audit Status [\(Item 2\)](#)

Mr. Freiburger began by stating that Internal Audit has performed work in three areas since the previous committee meeting. Of the three projects, one is completed and two are currently in the fieldwork stage. He informed the committee that there are two remaining projects on the current year plan which have not been started.

Mr. Freiburger then went through the Internal Audit update document and expressed that Internal Audit is on target to complete the plan. He also noted that projects completed and hours used to date are slightly ahead of target.

Mr. Freiburger provided a summary of the results from the Warehouse Operations audit and described some details relative to the audit findings. Ms. Inge provided some insight relative to the action plans to be taken by the management team to address the audit observations. The Committee requested an update on management's progress in six months.

Lastly, Mr. Freiburger walked through the follow-up of audit observations. He explained that there were 11 new observations added as a result of the recently completed audit project. He noted that 2 observations had exceeded their due dates and 32 observations in which the expiration date had not yet expired. One of the observations that has an expired due date relates to the acquisition of a software package for the monitoring and reporting of safety activity. Mr. Carew informed the committee that a vendor had been selected and the software should be implemented shortly. The second overdue observation pertains to the Water Leakage audit from 2011. Internal Audit recommended that a proactive leak detection system be identified and installed. Mr. Carew indicated that management has been evaluating products available on the market and that a viable system has been identified and purchased and that implementation should be completed shortly. The Committee requested that more details be provided at the next committee meeting.

Update on Blue Plains Maintenance (Item 3)

During the May 2012 Audit Committee meeting Internal Audit presented the findings from their audit of the Maintenance Operations. As a result, the Committee requested that management provide greater details about their relevant plans at the June meeting. Mr. Bailey provided a detailed review of the activities that have been underway with regards to Blue Plains Maintenance Operations. Following, Mr. Bailey direct reports described in some detail their role in implementing change in the Blue Plains operations.

Update on Establishing Fraud Hotline (Item 4)

Mr. Adebo presented an outline relative to executing the fraud mitigation plans at DC Water. He identified key components of the program: strong ethics policy, training, hotline operation and fraud audits. He anticipates having the first three elements completed, including the hotline being operational, by October 1, 2012.

There was no executive session called at this meeting.

The meeting was adjourned at 11:10.m.