

AUDIT COMMITTEE

DATE: May 19, 2021

LOCATION: 4060 Sunrise Highway, Oakdale

ATTENDANCE: Edward Lee, KPMG Audit Partner
Chris Davanzo, KPMG, Lead Audit Manager
Stephen Scelfo, KPMG, Audit Manager
Patrick Halpin, Chairman
Jacqueline Gordon, Member
Jeffrey W. Szabo, CEO
Timothy Hopkins, Esq.
Elizabeth Vassallo, Chief Financial Officer
Michael Litka, Chief Technology Officer
Chris Cecchetto, Deputy Chief Financial Officer
Alicia Simson, Internal Audit Manager
Stephanie Hannan, Manager of Accounting
Brittany Palillo, Executive Assistant/Secretary to the Board

EXCUSED ABSENCE: Elizabeth Mercado, Board Member

The meeting was called to order by Mr. Halpin at 2:30 p.m. upon Members of the Committee being present.

On motion made by Ms. Gordon, duly seconded by Mr. Halpin, and unanimously carried, it was

RESOLVED, To accept the Minutes of the September 24, 2020 Audit Committee Meeting.

Mr. Szabo asked for any comments from Ms. Vassallo, Ms. Simson or Mr. Cecchetto – there were no comments. He then introduced Edward Lee, Audit Partner of KPMG, who introduced Chris Davanzo, Lead Audit Manager, and Stephen Scelfo, Account Manager.

Mr. Lee reviewed the 2021 Audit Plan with the Members, stating that this was prepared in accordance with U.S. generally accepted accounting principles (GAAP), will be conducted under the standards of U.S. generally accepted auditing standards (GAAS) and the standards applicable to financial audits contained in Government Auditing Standards, issued by the comptroller General of the United States. He further stated that they plan to issue auditor reports on the financial statements and the schedule of investments of the Authority. Other planned audit deliverables include a report on the

internal control over financial reporting and compliance with other matters based on an audit of the financial statements performed in accordance with Government Auditing Standards and a report on the internal control over reporting of the schedule of investments and on compliance and other matters based on audit of the schedule of investments performed in accordance with Government Auditing Standards.

Mr. Lee reviewed the Executive Summary, which included reviewing the Client Service Team that would be assisting the Authority. Mr. Lee continued by reviewing the scope and deliverables for the financial reporting of U.S. GAAP, GASB and Uniform Guidance. Mr. Lee reviewed the timeline for each of the upcoming audits, and the estimates in risk, which he assesses to be similar to last year. Mr. Lee also reviewed fraud risk.

Mr. Szabo asked if any members of the Committee or staff members in attendance had questions, none were received.

The committee members thanked Mr. Lee for his presentation.

Mr. Szabo then introduced Ms. Simson, Internal Audit Manager to cover a few of her future plans, as well as an update on the last year. Ms. Simson announced her principal goal to be ensuring accuracy and validity, as well as maintaining strong and proactive relationships with the departments to understand how they see and assess risk. Ms. Simson also established another goal to be a cohesive, company-wide database for data sharing, to be used in instances of transitioning employees, responsibilities and positions. Ms. Simson asserted this will be important to maintain control and transparency, while also facilitating succession planning between employees.

Ms. Simson continued by elaborating on the work completed in the last year. Ms. Simson stated that there was a very large focus on ensuring accuracy with regard to the accuracy of surcharges, credits and adjustments. Ms. Simson stated a large employee-use water audit was conducted to ensure no employees abused water.

On motion made by Ms. Gordon, duly seconded by Mr. Halpin, and unanimously carried, the meeting of the Audit Committee was adjourned at 5:16 p.m.

Mr. Szabo asked if any members of the Committee or staff members in attendance had questions, none were received.

Respectfully submitted:

Brittany Palillo, Executive Assistant/Secretary to the Board

Reviewed by: Elizabeth Vassallo, Chief Financial Officer