



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

Audit Committee

**Thursday, December 22, 2011
9:30 a.m.**

Meeting Minutes

Committee Members Present

Bradford Seamon, Chair
Timothy Firestine
F. Alexis H. Roberson (via phone)

SC& H Group, LLC

Joseph Freiburger

Thompson, Cobb, Bazilio & Associates

Urma Malik-Dorman

Call to Order (Item 1)

Mr. Seamon called the Audit Committee meeting to order at approximately 9:35 a.m.

Summary of Internal Audit Activity (Item 3)

Mr. Freiburger walked through the Internal Audit Update. He discussed the status of the 2012 plan and the status of all projects on the plan. Mr. Freiburger then referred the Committee to the chart on page four in which an analysis of key milestone dates was presented. Lastly, Mr. Freiburger discussed in detail the projects which had been finalized (Grant Operations, IT Vendor & Contractor Management, Human Capital Management) and identified the projects which were still in process and expected to be completed and presented for discussion at the February committee meeting (Risk Management, Payroll, IT Business & Operating Applications). Mr. Freiburger noted that the average length of time to complete an audit is 375 hours in response an inquiry from the Committee. In response to an inquiry about the number of proposed audits which are anticipated to be completed in the 2012 plan, Mr. Freiburger indicated that all 11 projects are anticipated to be completed in 2012.

Mr. Freiburger discussed the chart on page 12 of the report and stated that there were eight new action plans added since the previous committee meeting, eight action plans in which the expiration date has not yet been reached, and 10 action plans in which the proposed implementation date has expired. Mr. Carew discussed the details of all of the action plans with expired implementation dates. The Committee requested that staff provide a written follow up on all action items with expired implementation dates at the February committee meeting. The Committee also requested that future Internal Audit status reports provide detail for each of the items in which the proposed implementation date for management action plans has expired.

External Auditor Status (Item 2)

Ms. Malik-Dorman, Partner, Thompson, Cobb, Bazilio & Associates PC, expressed that she was glad to report that they would be issuing a clean opinion on the DC Water financial statement audit. There were no significant deficiencies or material weaknesses noted during the course of the audit. There were some internal controls weaknesses identified that will be detailed in the Management Letter Comments. The Management Letter Comments is projected to be received by the beginning of February. Fieldwork is continuing on the A-133 audit and is expected to be completed by February 3rd.

The Committee requested that distribution of the materials for discussion be shared prior to the meeting. The Committee requested that the financial statement audit report be discussed at the February Audit Committee meeting after committee members have a chance to review the content.

Adjournment

Hearing no further business the meeting was at approximately 10:37.