

MONROE COUNTY WATER AUTHORITY

Audit Committee Meeting Tuesday, March 2, 2021 8:00 a.m.

ATTENDEES:

Committee:

Matthew J. Fero, Acting Chair
Sheryal Volpe

Staff:

Nicholas Noce
Amy Molinari
Diane Hendrickson

Other:

Andrew Dean, Esq.
D. Zimmerman, EFPR Group
J. Kehm, EFPR Group
T. Smith, EFPR Group

Absent:

Joseph R. Rulison, Chairperson

The meeting of the Audit Committee was called to order by Acting Chairperson, Matthew Fero, at 8:00 a.m.

I. REVIEW OF 2020 AUDITED FINANCIAL STATEMENTS

Messrs. Zimmerman, Kehm, and Smith presented a complete review of the financial statements for the year ended December 31, 2020, inviting questions from the Committee. EFPR Group's letter of findings stated the audit found no sensitive disclosures and no misstatements affecting the financial statements and, therefore, no Management Letter was being issued. It was a clean audit, meaning the financial statements were presented, in all material respects, in accordance with the applicable financial reporting framework. EFPR Group commended Amy Molinari and the Finance Department staff. Following the review and some discussion, the Audit Committee proceeded as follows:

Motion was made by Mr. Fero, seconded by Mrs. Volpe, and passed unanimously to approve the Financial Statements for the year ended December 31, 2020, as presented, and to forward to the full Board for its approval.

2. REVIEW OF THE 2020 ANNUAL INVESTMENT AUDIT

Messrs. Kehm and Smith informed the Committee that the State Comptroller's Office requires each public authority have its independent auditors review its investment policies, investment practices, and investments to confirm compliance with New York State laws and the Authority's own investment policies. EFPR Group found that for the year ended December 31, 2020, the Authority was in compliance with all material aspects. The Audit Committee proceeded as follows:

Motion was made by Mr. Fero, seconded by Mrs. Volpe, and passed unanimously to approve the 2020 Annual Investment Audit, as presented, and to forward to the full Board for its approval.

3. REVIEW OF THE 2020 ANNUAL INVESTMENT REPORT

Ms. Molinari gave an in-depth review of the Annual Investment Report for the year ended December 31, 2020, and responded to follow-up questions from the Committee. The Audit Committee proceeded as follows:

Motion was made by Mr. Fero, seconded by Mrs. Volpe, and passed unanimously to approve the 2020 Annual Investment Report, as presented, and to forward to the full Board for its approval.

4. REVIEW & RE-ADOPT ANNUAL STATEMENT OF INVESTMENT POLICY

Ms. Molinari stated that this policy had been reviewed and that no changes are recommended at this time. Following some discussion, the Audit Committee proceeded as follows:

Motion was made by Mr. Fero, seconded by Mrs. Volpe, and passed unanimously to re-adopt the Annual Statement of Investment Policy and to forward to the full Board for approval at its Annual Meeting in April.

5. REVIEW OF THE ASSESSMENT OF THE EFFECTIVENESS OF INTERNAL CONTROLS

Ms. Molinari informed the Committee that the annual review was performed for 2020, and she provided a memorandum detailing the assessment procedure and findings. The 2020 assessment found the Authority has sufficient controls protecting assets. The Audit Committee proceeded as follows:

Motion was made by Mr. Fero, seconded by Mrs. Volpe, and passed unanimously, to approve the Assessment of the Effectiveness of Internal Controls structure and procedures for the year ended December 31, 2020.

5. REVIEW OF MCWA CYBER INSURANCE POLICY

Ms. Molinari informed the Committee that the Authority submitted an application for Cyber & Liability Insurance to our Broker of Record, M&T Insurance, requesting they obtain quotes for this coverage. After requesting quotes from 25 carriers, MCWA received responses from three. After reviewing the proposals with the Authority's insurance consultant, Arthur J. Gallagher Risk Management Services, Inc., it is their recommendation that the proposal from Corvus/Hudson Excess offers superior coverage. After some discussion, the Committee proceeded as follows:

Motion was made by Mr. Fero, seconded by Mrs. Volpe, and passed unanimously, to approve the proposal from Corvus/Hudson Excess and to forward to the full Board for its approval.

7. CONFIRM THE NEXT AUDIT COMMITTEE MEETING

It was agreed that the next scheduled meeting of the Audit Committee will be May 6, 2021 at 8:00 a.m.

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There being no further business to come before the Committee, motion was made by Mr. Fero, seconded by Mrs. Volpe, and approved unanimously, to adjourn the meeting at 8:35 a.m.

Karin Anderson, Management Assistant