

**MINUTES**  
**AUDIT COMMITTEE**  
Thursday, March 28, 2024 – 9:30 AM  
Warneck Pump Station  
James W. Wright Conference Room  
23557 NYS Rt 37, Watertown, New York

**Committee Members Present:**

Mary Doheny, Chairperson  
Nancy Henry  
Dennis Mastascusa

**Staff Present:**

Carl Farone, Executive Director  
Jennifer Staples, Chief Financial Officer  
Carrie Tuttle, Chief Operating Officer  
Dawn Caccavo, Comptroller  
Steve Bohmer, Director of Information Technology  
Angela Marra, Executive Assistant  
Tonya Cumoletti, Administrative Associate

**Committee Members Absent:**

Brian McGrath

**Guests:**

Thomas Smith, EFPR

**Other Board Members Present:**

Alex MacKinnon\*

\*Attended via videoconferencing

1. The meeting was called to order by M. Doheny at 9:31 am.
2. A roll call was completed, and a quorum of the committee was established.
3. M. Doheny turned the meeting over to J. Staples who stated that the Authority's fiscal year will end on March 31<sup>st</sup> and it will soon be time to begin the audit process. Beginning in April, work papers will be prepared and turned over to the auditors in early May so they may begin their audit process. The audit will wrap up in early June, at which time the auditors will present the results to the Audit Committee, and then to the full Board.

J. Staples introduced Thomas Smith, a partner from EFPR. She further stated that this committee might offer input into this meeting regarding what they would like to see added or subtracted from the audit plan.

T. Smith brought and distributed hard copies of the presentation, which covered the audit scope, objectives and procedures, and he continued by reviewing the audit process for their first audit with the Authority. He introduced the two partners overseeing the 2024 audit, himself and Doug Zimmerman, who will be accessible throughout the entire audit

and explained there will be more people on the engagement team, including MWBE and SDVOB service providers as requested in the contract. He reviewed the timeline starting with May 6 when the trial balance is expected to be turned over to them from Finance, and June 7 is when the Management Discussion and Analysis (MD&A) is to be turned over to the Authority for review. He explained that the MD&A would be a preliminarily rough draft for management to review, validate, and to make any changes they feel necessary. After presenting to the Audit Committee on June 20 (tentative date), it would be presented to the full Board on June 27, and the final audit would be issued prior to the June 30 New York State deadline. T. Smith explained an overview of the reports and work that will be done; including the financial statements, an independent auditors' report on internal controls over financial reporting and compliance, an independent auditors' report on compliance for each major federal program and the report required internal controls, a single audit of federal awards, a compliance audit in accordance with New York State Public Authorities Law, Section 2935, and an audit of the agreed upon procedures for the original waterline capital and operating reserves. He continued with an overview of the scope and objectives of each of the products that they will be delivering, including the financial statements and single audit. The audit procedures will include internal controls, compliance, and other services such as assisting with preparing financial statements and completing the Data Collections Form in accordance with applicable professional standards. Lastly, he covered the Auditor's responsibilities, to include that they conduct their audit in accordance with Generally Accepted Auditing Principles (GAAP) and Governmental Accounting Standards Board (GASB), and they will plan and perform the audit to determine if the financial statements are free of misstatements, and to identify any significant risks. Their agreed upon procedures (AUP) of the Regional Waterline will be performed in accordance with the American Institute of Certified Public Accountants (AIPCA), however within the AUP they will not be giving an opinion or conclusion, and the detail will be within the financial statements.

M. Doheny asked for clarification about the last bullet under the auditor's responsibility, where management overrides and improper revenue are listed as examples of things that may be looked at, and are not examples of something already identified. T. Smith responded that these are two examples of industry-wide potential risks and are listed on every engagement they are involved in, and furthermore there could be more risks that come up within the audit.

C. Farone asked about the quick turnaround outlined in the proposed timeline, and how many staff will be working on this engagement to meet the deadline. T. Smith responded that they anticipate three staff being on-site the entire time, and this will be the only project they will be scheduled to work while on site as well as the following week. They are 100% dedicated to getting this job done, and will be focused only on this job.

M. Doheny asked when they would be physically on-site. T. Smith responded that fieldwork will begin on the 13<sup>th</sup>.

C. Farone asked if the internal controls and risk assessment would be completed prior to coming on-site, or would that be done when staff is here. T. Smith replied that they will have a very preliminary risk assessment done, but that will be tailored throughout the audit.

M. Doheny commented that this is a tight calendar and the audit team will be under pressure. T. Smith reiterated that there is always some concern with the New York State three-month turnaround, but they would not engage in this audit if they were not confident it would be completed on time.

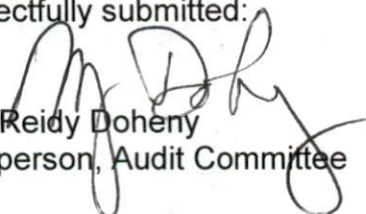
C. Farone asked if it was typical not to do preliminary testing prior to the audit in January and February. T. Smith responded that the CPA industry has gotten away from preliminary work since 2020 when everything was more remote. He explained that people became more efficient working from home and being able to do things digitally, and it became clear that the plans had to be better because the time with clients became limited.

C. Farone asked for notice if they foresee the timeline beginning to slip so there are no surprises. T. Smith stated that the timeline is set so that they can get the draft out early because that is on him if there is a surprise in any of those reports. If there is an issue, they want to get ahead of it and resolve it by working together.

M. Doheny asked if the Audit Committee normally meets one-week prior to the June full board meeting. J. Staples explained this was something she had come up with based on the Board meeting dates and when they would be able to get the documents ready.

4. Upon a motion by D. Mastascusa, and seconded by N. Henry, the Audit Committee meeting was adjourned at 9:48 AM.

Respectfully submitted:

  
Mary Reidy Doheny  
Chairperson, Audit Committee