

**Minutes
Audit Committee Meeting
Massachusetts Clean Water Trust**

DATE: January 15, 2019

START TIME: 1:25 p.m.

PLACE: State House, Room 227

NOTICE: Due public notice given

Members of the Audit Committee –

State Treasurer Deborah Goldberg

Secretary, Administration and Finance, Michael Heffernan

Commissioner, Mass. Department of Environmental Protection, Martin Suuberg

Also present:

James MacDonald, First Deputy Treasurer, Office of the State Treasurer

Chandra Bork, Deputy Chief of Staff, Office of the State Treasurer

Emma Sands, Assistant Communications Director, Office of the State Treasurer

Susan Perez, Executive Director, MCWT

Nate Keenan, Deputy Director, MCWT

My Tran, Treasurer, MCWT

Sally Peacock, Controller, MCWT

Joshua Derouen, Program Associate, MCWT

Steve McCurdy, Director of Municipal Services, MassDEP

Stephanie Cooper, Deputy Commissioner for Policy and Planning, MassDEP

Maria Pinaud, Deputy Director of Municipal Services, MassDEP

Maya Jonas-Silver, Director of Capital Planning and Long-Term Obligations,
Administration and Finance

Robert Mahoney, Managing Director, KPMG

CALL TO ORDER:

The meeting was called to order by Treasurer Goldberg at 1:25 p.m.

Item #1 MOTION-VOTE

APPROVAL OF MINUTES OF MEETING HELD ON January 3, 2018

The motion was made by Commissioner Suuberg and seconded by Secretary Heffernan and **voted unanimously in favor** of acceptance and approval of the minutes of the Audit Committee meeting held on January 3, 2018.

Item #2 **REPORT OF EXTERNAL AUDITOR**

The Trust's external auditors, KPMG, LLP, presented its report to the Audit Committee on the Trust's financial statements for the fiscal year ending June 30, 2018, dated January 2019.

KPMG was represented by Robert Mahoney, the managing director in its Boston office. Mr. Mahoney introduced himself and said that this is the first year that he has worked on the Trust's audit. He then stated the objectives of the audit which were to conduct an independent audit according to Generally Accepted Accounting Principles (GAAP) as well as provide an opinion on financial statements and how the statements are presented according to GAAP.

Mr. Mahoney then explained that the Trust received an unmodified (clean) opinion indicating that the 2018 financial statements are presented fairly in accordance with U.S. GAAP.

KPMG also issued a separate report on internal control and compliance as required by Government Auditing Standards which they noted no matters involving the internal control environment and its operations that they consider to be significant deficiencies of material weaknesses.

Mr. Mahoney spoke about the audit of federal programs, he said that the opinion on the Trust's Drinking Water State Revolving Fund (DWSRF) program was clean and there were no findings. The Trust's required communications were said to be compliant. The Trust management's judgements were found to be reasonable. Mr. Mahoney concluded by stating that there were no corrected or uncorrected differences and there were no disagreements between the Trust and KPMG.

Item #3 **MOTION-VOTE**

The motion was made by Secretary Heffernan and seconded by Commissioner Suuberg and voted unanimously in favor of the acceptance and approval of the following:

The Audit Committee is recommending that the Trust Board accept the FY 2018 financial statements and the Report of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards and Government Auditing Standards (Single Audit) for Fiscal Year 2018.

OTHER BUSINESS: None

LIST OF DOCUMENTS AND EXHIBITS USED:

1. Agenda
2. Minutes of Audit Committee Meeting held on January 3, 2018
3. KPMG's report to the Audit Committee

ADJOURN: At 1:32 p.m. Treasurer Goldberg moved to adjourn, and the Committee voted unanimously in favor.