

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

**DATE:** January 3, 2018

**START TIME:** 11:15 a.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:**

Shawn Warren, KPMG

James MacDonald, First Deputy Treasurer

Steve McCurdy, Director of Municipal Services of MassDEP

Stephanie Cooper, Deputy Commissioner for Policy and Planning, MassDEP

Rachel Madden, Undersecretary Executive Office of Administration and Finance

Susan Perez, Executive Director, MCWT

Nate Keenan, Deputy Director, MCWT

Bernard Greene, Senior Legal Counsel, MCWT

Sally Peacock, Controller, MCWT

My Tran, Treasurer, MCWT

Jonathan Maple, Program Associate, MCWT

Joshua Derouen, Program Associate, MCWT

Kathi-Anne Reinstein, Policy Director, Office of the State Treasurer

Emily Kowtoniuk, Deputy Legislative Director, Office of the State Treasurer

Michael Bergquist, Policy Analyst, Office of the State Treasurer

Elizabeth Zelnick, Senior Policy Analyst, Office of the State Treasurer

Dan Truong, Assistant Communications Director, Office of the State Treasurer

**CALL TO ORDER:**

The meeting was called to order by Treasurer Goldberg at 11:15 a.m.

Item #1     **MOTION-VOTE**

***APPROVAL OF MINUTES OF MEETING HELD ON APRIL 19, 2017***

The motion was made by Secretary Heffernan and seconded by Commissioner Suuberg and **voted unanimously in favor** of acceptance and approval of the minutes of the Audit Committee meeting held on April 19, 2017.

Item #2     **AUDIT RECEIPT AND APPROVAL**

a.     **Receipt of Report of Auditors**

The Trust's external auditors, KPMG, LLP, presented the Trust its report on the Trust's financial statements for the fiscal years ending June 30, 2017 and June 30, 2016, dated October 2, 2017 and its Single Audit report on internal controls, dated October 2, 2017.

KPMG was represented by Shawn Warren, a partner in its Boston office, who described the areas of emphasis and objectives of KPMG's audit and the procedures used to examine the financial statements and accounts of the Trust and the other materials reviewed. Mr. Warren also provided the Committee with information on its communications with the Trust and its staff. He reported that in the opinion of KPMG the financial statements were presented fairly and in accordance with Generally Accepted Accounting Principles. He further reported that there were no findings or significant adjustments, no disagreements with management or items that need to be reported to the Board, and no difficulties encountered in performing the Audit. He stated that KPMG was able to give the Trust an "unmodified" opinion (equivalent to a "clean opinion" or an "unqualified opinion" in previous years).

Mr. Warren also reported that the Trust's Single Audit Report, required by 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Government Auditing Standards* (Uniform Guidance), on the expenditure of federal moneys showed no material weaknesses involving internal control over financial reporting and operations and no instances of non-compliance or other matters that are required to be reported under Government Auditing Standards. He reported that KPMG was able to issue an unmodified opinion on the Trust's Single Audit Report. He also reported that KPMG filed the Report with the Federal Audit Clearinghouse as required by the Uniform Guidance.

b.     **MOTION-VOTE:**

***Approval of Report of the Audit of the Trust's Financial Statements for Fiscal Years Ending June 30, 2017 And June 30, 2016***

The motion was made by Secretary Heffernan and seconded by Commissioner Suuberg and voted unanimously in favor of the acceptance and approval of the report of the audit of financial statements for fiscal years ending June 30, 2017 and June 30, 2016 and the Single Audit Report.

**OTHER BUSINESS:** None

**LIST OF DOCUMENTS AND EXHIBITS USED:**

1. Brochure summarizing KPMG's report to the Audit Committee of the Trust.

2. Report on the Audit of Financial Statements and Required Supplementary information for Fiscal Years Ending June 30, 2017 and 2016.
3. Single Audit Report, as required by 2 CFR Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Government Auditing Standards* (Uniform Guidance)
4. Meeting Agenda
5. Minutes of Audit Committee Meeting held on April 19, 2017

**ADJOURN:** At 11:23 a.m. Treasurer Goldberg moved to adjourn, and the Committee voted unanimously in favor.