MASSACHUSETTS MUNICIPAL WHOLESALE ELECTRIC COMPANY
AUDIT COMMITTEE MEETING
SHREWSBURY ELECTRIC AND CABLE OPERATIONS
SHREWSBURY, MA

MARCH 20, 2018
9 a.m.

MINUTES

1. Call to order: Chairman Kelly called the meeting to order at 9:16 a.m.

2. Present for the meeting:

Audit Committee Members:
Kevin Kelly, Groton
Jonathan Fitch, West Boylston
Joseph Sollecito, Mansfield

MMWEC Staff: Ronald DeCurzio, Chief Executive Officer
Carol Martucci, Director, Financial Reporting & Corporate Technology
Brandy Aiken, Accounting Manager

Others: Tom Unke, Baker Tilly Virchow Krause, LLP

3. Approval of Agenda

A motion was made by Sollecito, seconded by Fitch, and it was unanimously voted to approve the agenda as presented.

4. Review and Approval of the October 3, 2017 Regular Session Minutes

A motion was made by Sollecito, seconded by Fitch, it was voted to approve the October 3, 2017 Regular Session Minutes as presented.

5. Martucci reported on the fluctuations in the Statements of Net Position, the Statements of Revenues and Expenses and Changes in Net Position, and the Fiduciary Fund Statements. Martucci then reviewed the minor changes to the footnotes.

6. Unke presented the report on the 2017 financial audit. Unke went over the required auditor communications and internal control communications with the audit committee. Unke stated the audit went smoothly with no major issues. There was no audit adjusting journal entry and no significant deficiencies or material weaknesses in internal controls. Baker Tilly Virchow Krause issued an Unmodified Opinion (clean opinion) for the 2017 financial statements.

7. Potential future internal audit or examination areas were discussed amongst the Committee for planning purposes. Martucci mentioned that upon completion of the SMD-MMP Project estimated to be completed second quarter 2018, it would be good to perform an examination of the new system related to IT controls. The Committee and Unke agreed. Unke further explained the other areas he thought could be examined in 2019, such as a joint owner billing inspections or politically visible audits that would set the tone at the top.
8. Executive Session: Audit Committee and Unke and then Audit Committee and DeCurzio.

A motion was made to enter Executive Session by Kelly, seconded by Fitch, and on the basis of a roll call vote as follows:

Kelly     "aye"
Fitch      "aye"
Sollecito  "aye"

It was unanimously voted to enter into Executive Session for the purpose of discussing audit strategy and, that upon termination of the Executive Session, the Audit Committee Meeting will reconvene in Regular Session.

The Audit Committee convened in Executive Session at 10:25 a.m.
The Audit Committee reconvened in Regular Session at 10:40 a.m.

The financial statements were accepted by the Audit Committee to be recommended for approval to the MMWEC Board of Directors at the meeting schedule for March 29, 2018.

All business having been concluded, it was motioned by Fitch, seconded by Robinson, and unanimously voted to adjourn the Audit Committee Meeting.

Chairman Kelly declared the Audit Committee Meeting adjourned at 10:44 a.m.

A TRUE RECORD

ATTEST:  
Kevin Kelly, Audit Committee Chairman
Massachusetts Municipal Wholesale Electric Company