

SOUTH CENTRAL CONNECTICUT REGIONAL WATER AUTHORITY

AUDIT-RISK COMMITTEE

FEBRUARY 22, 2024

MEETING TRANSCRIPTION

[AUDIT RISK COMMITTEE MEETING BEGINS AT 12:31 P.M.]

Catherine:

The first item on the agenda for the committee is the approval of the minutes for December 21st, 2023. Motion to approve.

Suzanne:

I'll make a motion to approve the minutes.

Kevin:

Second.

Catherine:

We moved and second it. Is there any discussion? Any additions? Corrections? All right, hearing none. All in favor? Signal by saying aye.

Committee members:

Aye.

Catherine:

Suzanne?

Suzanne:

Aye.

Catherine:

Unanimous. Second item on the agenda is to discuss the Audit Plan for 2024. I believe David Flint is here.

David:

Hi everybody. My name is David Flint. I'm the principal with CLA, your auditors. I appreciate the opportunity to speak to you today. I really only need five minutes of your time. This is kind of just our introduction for the 2024 audit. Hopefully each of you have received our required communications to governance. At this point, there are two required communications, one of course at the beginning and one at the end of the audit. And really the purpose of this meeting is just to keep an open line of communication between your auditors and yourselves. If you guys ever have any questions, comments,

or concerns, you're always free to reach out to me. Whether it's in this environment or if it's a more private matter, you could always reach out to me personally.

Now, I guess just real high level, obviously we've been engaged to do an audit of the financial statements. We provide reasonable assurance that the financial statements are free from material of statements. Of course, we do not provide absolute assurance because we do not review 100% of the transactions of the authority. We are also doing a federal single audit for fiscal year 2024. Included with that is an opinion that you're in compliance with those federal grants. And we also provide an opinion on your internal controls over financial reporting.

For 2024, we are implementing a new accounting standard. It's GASB statement number 96, which has to do with subscription based information technology arrangements, we call them SBIDAs. And basically this is a piggyback standard off of the lease standard that you may remember that we implemented last year. As of right now as we did with leases in the prior year, CLA plans to assist you with the implementation of the standard.

We are currently still working through the dates for the audit, but we will be doing our preliminary audit procedures in April. Our final field work, we'll be on site in July and we anticipate completing by mid-September. High level this is a pretty quick turnaround, but I guarantee you that if management is ready for our visit in July, I guarantee you that we'll be able to hit that timeline.

That's kind of all I need to communicate to you guys today. Do you guys have any questions or comments for me as it relates to the 2024 audit?

Catherine:

I do. Okay. Well this may be a little bit unfair considering that you haven't gotten into this, but is there anything other than the new standard that you anticipate might be a concern going forward in this year?

David:

That is a tough question. Haven't looked at it yet at all. We haven't even done our preliminary procedures. That of course is the only thing that we know that will be some additional work. No, I don't have anything at this moment.

Catherine:

Okay. Are there any other questions from members of the board?

David:

One thing I would like to bring up, so we are required to do what we call fraud interviews. We do a random subset of employees each year. We also generally like to do somebody from the board. So we probably will reach out to at least one of you. I'm just putting that on your radar Now. It's not a sign that something is wrong, it's just a general discussion and it's part of our standard procedures.

Catherine:

That's something that you do every year?

David:

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Correct. Yes, we've done it together in the past. I think it caught somebody off guard last year. That's the only reason I bring it up.

Mario:

I didn't understand that that's what it was and so I said No, you're the chairman. So I said make sure you talk to Catherine and then so now I understand. I don't need a do-over. It could be somebody else.

David:

You're first.

Catherine:

I think it should be Mario this year.

Mario:

Yeah, new guy. Exactly.

Catherine:

All right. Thank you very much, David. Are there any other matters to come before the committee? In that case, I entertain a motion for adjournment.

Kevin:

So moved.

Mario:

Second.

Catherine:

Moved and seconded. Any discussion? All in favor signify by saying aye.

Committee members:

Aye.

[AUDIT RISK MEETING ENDS AT 12:37 P.M.]