

JEA FINANCE & AUDIT COMMITTEE MINUTES
August 7, 2017

The Finance & Audit Committee of JEA met on Monday, August 7, 2017, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Chair Kelly Flanagan called the meeting to order at 8:00 AM with Member Husein Cumber in attendance telephonically. Others in attendance were Paul McElroy, Melissa Dykes, Brian Roche, Kerri Stewart, Ted Hobson, Jody Brooks, Steve Tuten, Joe Orfano, Walette Stanford, Janice Nelson, Ryan Wannemacher, Steve McInall, Frank DiBenedetto, Lee Montanez, Lori Phelan, and Judi Spann. John DiSanto and Russ Jeans, Ernst & Young; and Rob Smedley, RS&H, were also in attendance.

Due to a lack of quorum physically present, agenda items were received for information only. Action items will be brought before the August 15, 2017 full Board for action.

- B. Adoption of Agenda – Due to a lack of quorum, the agenda was received for information.
- C. Approval of Minutes – Due to a lack of quorum, the May 8, 2017 Minutes were received for information.

Agenda Item II – New Business

- A. Approval of Annual Internal Audit Plan – Steve Tuten, Director, Audit Services, introduced Lee Montanez, Manager, Audit Services. Mr. Montanez provided an overview of the FY18 Internal Audit Plan, including information on the annual planning approach, risk assessment survey, and the description of scheduled audits, and proposed timeline. Due to a lack of quorum, this agenda item was received for information and will be brought to the August 15, 2017 Board Meeting for action.
- B. Annual Approval of Audit Services Charter – Steve Tuten, Director, Audit Services, presented the JEA Audit Services Charter, noting that the Institute of Internal Auditors (IIA) requires the Finance and Audit Committee annually review and formally approve the Charter. Mr. Tuten stated no revisions have been made to the Charter. Due to a lack of quorum, this agenda item was received for information and will be brought to the August 15, 2017 Board Meeting for action.
- C. Audit Services – Quarterly ERM/Audit Update – Steve Tuten, Director, Audit Services, provided an update to the Committee regarding the filling of the open Senior Auditor position, progress of the FY17 Internal Audit Plan, open audit and investigation report issues, ERM highlights, risks and trend report, and the Ethics Hotline Report. Frank DiBenedetto, Manager, Enterprise Risk Management, provided a review of the Enterprise Compliance & Risk Committee and Subcommittees, as well as the new Information Security Governance Committee. This presentation was received for information.
- D. Ethics Officer Quarterly Report – Walette Stanford, Ethics Officer and Director, Workforce Strategies, provided an update regarding ethics inquiries, FY17 gift registry, and the Ethics Matters resource card that will be distributed to employees this month. This presentation was received for information.
- E. Ernst & Young FY2017 Annual Financial Audit Plan was reviewed by John DiSanto, Executive Director. Mr. DiSanto introduced Russ Jeans, Senior Manager. Mr. DiSanto stated E&Y has added the auditing of the St. Johns River Power Park FY2016 Pension Plan to their portfolio of services provided to JEA. Due to a lack of quorum, this agenda item was received for information and will be brought to the August 15, 2017 Board Meeting for action.

- F. Electric System and Water and Sewer System Reserve Fund Quarterly Report – Joe Orfano, Treasurer, reviewed the Electric System and Water and Sewer System Reserve Fund Quarterly Report, which was received for information.
- G. JEA Commercial Natural Gas Sales – Steve McInall, Director, Electric Production Resource Planning, provided an overview of the Natural Choice Program operated by TECO/Peoples Gas System including the benefits to the community, strengths of the program, historical and projected growth and revenue, Eagle LNG facility, receivables and risk. This presentation was received for information.
- H. Plant Vogtle Update – Steve McInall, Director, Electric Production Resource Planning and Joe Orfano, Treasurer, provided an update on Plant Vogtle including a timeline of recent developments, construction and regulatory update, and various updates on Toshiba and Southern Company. This presentation was received for information.
- I. JEA Energy Market Risk Management Policy Report – Steve McInall, Director, Electric Production Resource Planning, reviewed the Energy Market Risk Management Policy Report, which was received for information.
- J. Announcements
 - 1. The next Finance and Audit Committee meeting will be held on December 5, 2017, at 12:00 PM.
- K. Committee Discussion Sessions
 - 1. Ernst & Young – At 9:30 AM, Ms. Flanagan dismissed staff and the Committee held a general conversation with John DiSanto.
 - 2. Director, Audit Services – At 9:38 AM, Ms. Flanagan and the Committee held a general conversation with Steve Tuten, Director, Audit Services.
 - 3. Council Auditor’s Office – The Council Auditor’s Office was not in attendance.

Closing Considerations

With no further business claiming the attention of this Committee, the meeting was declared adjourned at 9:39 AM.

APPROVED BY:

Kelly Flanagan, Committee Chair

Date: _____

Submitted by:

Melissa Charleroy
Executive Assistant