

JEA FINANCE & AUDIT COMMITTEE MINUTES  
December 5, 2017

The Finance & Audit Committee of JEA met on Tuesday, December 5, 2017, in the 8<sup>th</sup> Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

**Agenda Item I – Opening Considerations**

- A. Call to Order – Committee Chair Kelly Flanagan called the meeting to order at 12:00 PM with Member Husein Cumber in attendance telephonically. Others in attendance were Paul McElroy, Melissa Dykes, Jody Brooks, Ted Hobson, Kerri Stewart, Brian Roche, Steve McInall, Steve Tuten, Janice Nelson, Ryan Wannemacher, Walette Stanford and Judi Spann. John DiSanto and Russ Jeans, Ernst & Young, 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 December 12, 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 August 7, 2017 Minutes were received for information.

**Agenda Item II – New Business**

- A. Audit Services – Quarterly ERM/Audit Update – Steve Tuten, Director, Audit Services, provided an update to the Committee regarding staffing, Internal Audit team highlights, progress of the FY17 and FY18 Internal Audit Plans, open audit and investigation report issues, Enterprise Risk Management (ERM) highlights, risks and trend report, and the Ethics Hotline Report. This presentation was received for information.
- B. Ethics Officer Quarterly Report – Walette Stanford, Ethics Officer and Director, Workforce Strategies, provided an update regarding FY17/FY18 ethics inquiries, FY17/FY18 gift registry, five-year review of Ethics Officer cases and an update on Business Ethics training. This presentation was received for information.
- C. Treasury
1. 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.
- D. 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.
- E. Ernst & Young FY2017 External Audit Report – John DiSanto, Partner, Ernst & Young (EY) introduced Mr. Russ Jeans, Senior Manager, EY. Mr. DiSanto presented an overview of the 2017 Audit Report and Management Letter, copies of which were provided to Committee Members, along with a draft copy of JEA's Audited Financial Statements. Mr. DiSanto extended appreciation for outstanding the cooperation and communication between JEA staff, EY, and the City of Jacksonville auditors. Committee Chair Flanagan and Mr. Cumber extended their appreciation to JEA management and EY staff.
- F. Announcements
1. The next Finance and Audit Committee meeting will be held on March 12, 2018, at 8:00 AM. Mr. McElroy stated that staff met with the Rating Agencies on November 29,

2017. Mr. McElroy provided a brief overview of the meetings and stated he will share the ratings at the upcoming Board Meeting on December 12, 2017.


G. Committee Discussion Sessions

1. Ernst & Young – At 12:36 PM, Committee Chair Flanagan dismissed staff and the Committee held a general conversation with Mr. DiSanto.
2. Director, Audit Services – At 12:44 PM, 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.

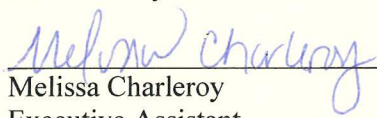
**Closing Considerations**

With no further business claiming the attention of this Committee, the meeting was declared adjourned at 12:45 PM.

APPROVED BY:

  
\_\_\_\_\_  
Kelly Flanagan, Committee Chair  
Date: 3/28/18

Submitted by:

  
\_\_\_\_\_  
Melissa Charleroy  
Executive Assistant