



Massachusetts Housing Finance Agency  
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## Investment and Audit Committee Meeting Minutes

Meeting Date and Time: June 12, 2018 at 1:00 p.m.  
Meeting Location: Massachusetts Housing Finance Agency  
One Beacon Street, Boston, MA 02108

Members Present: Mark Attia (designee)  
Ping Yin Chai

Member Not Present: Michael Dirrane

MassHousing Staff Present: Chrystal Kornegay  
Charles Karimbakas  
Stephen Vickery  
Paul Hagerty  
Paul Scola  
Belmira Fallon  
Craig Merry  
Beth Elliott

PricewaterhouseCoopers (PwC)  
Staff Present: Paul Hanley  
Joseph Rocco  
Charles Cornish

*The meeting began at 1:00 p.m.*

The first order of business after commencement of the meeting was a presentation by Mr. Vickery regarding the quality control review of MassHousing's MAP lending operations recently completed by CohnReznick LLP. He reported that the initial report, which he had just received, was positive and that it was anticipated that any potential findings could be cleared by the provision of additional information.

*Mr. Attia arrived at 1:05 p.m.*

Following Mr. Attia's arrival, the next order of business was approval of the minutes of the April 10, 2018 meeting of the Committee. Following such approval, Mr. Hanley began the discussion of PwC's audit plan for the FY18 audit. He outlined the objectives of the audit, which include providing independent opinions and reports for MassHousing's stakeholders, assisting the Committee in

discharging its corporate governance and compliance responsibilities, and providing relevant observations and advice to the management of MassHousing.

Mr. Rocco then described the various deliverables associated with the FY18 audit, including the MassHousing audit and supporting materials, Mortgage Insurance Fund audit and supporting materials, the audit reports for Freddie Mac and Ginnie Mae, and quarterly interim financials. Mr. Rocco confirmed that PwC's responsibility is to provide an independent opinion on the reasonableness of MassHousing's financial statement presentation in accordance with GAAP and to plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether caused by error or fraud. Mr. Hanley commented that MassHousing management has demonstrated appropriate ownership and responsibility for financial matters. Mr. Rocco then described PwC's audit approach, its assessments of risk. Mr. Cornish then discussed how PwC defines materiality.

Mr. Hanley then stated that PwC's collaboration with Internal Audit has been very helpful. He then described the audit team, timeline and communication plan, with expected delivery of the audit in mid-to-late September. Mr. Rocco and Mr. Hanley then discussed technology-enabled audit tools that will hopefully lead to cost savings over time.

Mr. Chai asked Mr. Hanley for his opinion of the FiServ internal controls. Mr. Hanley responded that it had been tested previously and he did not have concerns. Mr. Chai then asked whether PwC anticipated any increase in scope based on PwC's quarterly work. Mr. Cornish responded that new swap activity was anticipated, as well as GASB 75. Mr. Karimbakas confirmed that there is more swap activity, although the portfolio is generally the same size, because MassHousing is more actively investing in the single-family indenture. Mr. Vickery added that all similarly situated entities are having to address the impact of GASB 75, and Mr. Hanley agreed.

The members then voted to adjourn.

*The meeting concluded at approximately 1:30 p.m.*

A true record.

Attest.



Beth M. Elliott  
Secretary

*Meeting Materials:*

- Minutes of the April 10, 2018 Meeting
- Quality Control Review of Lender's MAP Operation
- PwC Report to the Investment and Audit Committee, 2018 Audit Plan