



Massachusetts Housing Finance Agency  
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## Minutes of the Meeting of the MassHousing Investment & Audit Committee held on December 10, 2024

A meeting of the MassHousing Investment and Audit Committee (the Committee) was held on December 10, 2024. In accordance with Section 20 of An Act Extending Certain COVID-19 Measures Adopted During the State of Emergency, 2021 Mass. Acts 20, as amended, the meeting was conducted remotely through a publicly accessible Zoom meeting.

Participating remotely were the Members of the Investment & Audit Committee (by roll call):

Committee Member	Present	Absent
Jeanne Pinado, Chair*		X
Carolina Avellaneda**	X	
Herby Duverné***	X	
Bran Shim****	X	

\* *Chair of MassHousing*

\*\**Vice Chair of MassHousing*

\*\*\* *Appointed by the Members of MassHousing*

\*\*\*\* *Ex Officio member as representative of the Executive Office for Administration & Finance*

In attendance was MassHousing Member Michael Glover. Additionally, the following staff members were also present:

MassHousing Staff		PricewaterhouseCoopers (PwC) Staff
Rachel Madden	Laurie Bennett	Nipa Patel
Stephen Vickery	Amy Quimby	Michael Stankus
Sandra Bakaysa	Cynthia Fernandes	
Waseem Arshad	Hayden Smith	
Paul Scola	Simone Ward	
Minalyn Ebanculla		
Belmira Fallon		
Robert Wong		
Nancy Slaney		

*Ms. Avellaneda called the meeting to order, and the meeting began at 1:04 p.m.*

Upon a motion duly made and seconded, the members unanimously voted, by roll call of the Investment and Audit committee members present, to approve the minutes of the September 10, 2024 meeting.

**VOTED:** That the minutes of the Meeting held on September 10, 2024 are hereby approved and placed on record.

Following such approval, Ms. Fernandes reviewed the Investment and Audit Committee Report for the first quarter (Q1) of Fiscal Year 2025 (FY25). She stated that in line with questions she received at the previous Investment and Audit Committee meetings, supplemental information was provided in the Internal Audit Update presentation. Ms. Fernandes asserted that the Internal Audit team completed their annual independence and objectivity disclosure forms and all staff are independent relative to the internal audit plan for FY25. Ms. Fernandes informed the Committee that Internal Audit completed its support for the annual PwC engagement in the first quarter (Q1). She discussed the status of the Rental Lifecycle Project and stated she anticipates a final report will be issued in the third quarter of FY25. Ms. Fernandes then noted no instances of fraud were reported into the hotline in the first quarter.

Ms. Fernandes continued by reviewing the assurance activities performed by outside providers. She highlighted that to date there have been no new findings identified. She also notified the Committee of the impending State Audit, set to begin immediately. Ms. Fernandes mentioned the schedule will be updated to reflect the performance audit by the Office of the State Auditor in FY25. The state audit is a normal course of business and MassHousing was last audited in FY21-FY22. Ms. Fernandes noted that support for this engagement will involve a reprioritization of internal audit's efforts and will likely affect the internal audit plan. Ms. Fernandes walked the Committee through the supplemental schedule about assurance activities. She highlighted the different activities, the frequency of engagements, and level of assurance provided.

*She opened the floor for questions. There were no questions.*

Ms. Fernandes continued by informing the Committee of Internal Audit's Fraud Awareness Activities completed this year. She stated, in line with the Association of Certified Fraud Examiners' (ACFE's) Fraud Awareness Week, which takes place during the 3rd week of November every year, Internal Audit posted a flyer and updated MassHousing's Anti-Fraud Policy. All MassHousing employees were asked to acknowledge the Anti-Fraud Policy, the flyer, and their awareness of MassHousing's Whistleblower Hotline. Ms. Fernandes then drew the Committee's attention to page twenty-four (24) of the packet, and discussed paragraph 4, which details escalation procedures. Ms. Fernandes highlighted that instances of fraud would be brought to the attention of the Committee if management does not take timely action to discuss the matter with all Agency Members. She stated the expectation is that if a matter reaches the magnitude of "fraud" it would be communicated by the Chief Executive Officer or Chief Legal and Operating Officer. If not, then communications would come from the auditors.

In closing, Ms. Fernandes mentioned the Institute of Internal Auditors' (IIA's) Risk and Focus Report was provided as a supplement in the packet to inform the Committee of trends in the macro-environment. She highlighted the key risk drivers noted in the report are consistent with the key risks at MassHousing. She further noted that internal audit considers industry risk when designing the internal audit plan.

*She opened the floor for questions. There were no questions.*

Ms. Patel discussed the recent PwC publication about board governance more specifically, Audit Committee Governance. She highlighted the matters management brings to the attention of PwC during their engagements. Specific consideration is placed in the closing processes, discussions of materiality, and signification, unusual, and/or non-recurring transactions. Mr. Stankus noted PwC compiled a self-guided checklist for committees to consider when performing a review of their governance and oversight practices. The checklist assists committees to confirm oversight functions are occurring as expected.

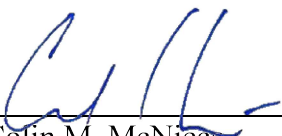
Ms. Avellaneda inquired whether it was normal practice for committees to complete the checklist in a meeting or whether the Chair performs the check and brings up concerns to the committee members. Mr. Stankus responded that the checklist has been used in many ways in industry. He noted he has seen instances where one member performs the checklist, or it is completed collaboratively in a meeting. Ms. Patel added that the execution of the checklist is to bring value, but the output of the checklist could be brought to a meeting.

*There were no further questions or comments.*

*At approximately 1:28 p.m. MassHousing staff left the meeting so the Committee could speak independently with PwC, after which the meeting concluded at approximately 1:37 p.m.*

A true record.

Attest.

  
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Colin M. McNiece  
Secretary

*Meeting Materials:*

- Approval of September 10, 2024, Minutes
- Internal Audit Update
- Fraud Awareness Activities
- PwC – Presentation of Annual Corporate Director's Survey
- PwC and Investment & Audit Committee Discussion