

Committee Name:	Audit Committee	Session #:	Report #:
Committee Chair:	Elyce Dilworth	Vice Chair:	Jill Gellatly
Minutes recorded by:	Elyce Dilworth	Date/time of meeting:	June 12, 2015/8:00 a.m.

Motions Passed:

1. MSA – The Audit Committee requests the Compensation and Benefits Committee provide the Audit Committee with assurances they are carrying out their fiduciary responsibility regarding the new USMS 401(k) plan. Such responsibilities may include review of the Form 5500, Summary Plan Documents, and timely deposit of employee and employer contributions. The Audit Committee is available to assist the Compensation and Benefits Committee with establishing procedures.
2. MSA – It is resolved that the Membership Director is added as an authorized signer on checks \$10,000 or less.

Number of committee members present: 5	Absent: 1	Number of other delegates present:
Committee members present (list all, including chair and vice chair): Elyce Dilworth (Chair), Ralph Davis, Teddy Decker, Jeanne Ensign, Laura Winslow, Phil Dodson (ex-officio) and Susan Kuhlman (ex-officio)		

Minutes

The meeting was called to order at 8:00 a.m.

1. Review of Draft Materials –The Audit Committee (the “Committee”) reviewed and discussed the draft financial statements, Board report and Form 990 tax return. The Committee summarized their comments on the various documents for further discussion with representatives from Kerkering, Barberio & Co. (“K&B”) later in the meeting.
2. Report from Chief Financial Officer – In response to the Committee’s request, Susan Kuhlman discussed the 401(k) plan and the roles of the various service providers. The Committee discussed USMS’s potential responsibilities and recommended the Compensation and Benefits Committee establish procedures to carry out their fiduciary oversight. **MSA that the Compensation and Benefits Committee provide assurances they are carrying out their fiduciary responsibilities with respect to the USMS 401(k) plan.**

The Committee also discussed the Finance Committee’s recommendation that the Membership Director be added as an authorized signer on checks \$10,000 or less. Ms. Kuhlman confirmed that the Membership Director was covered under USMS’s insurance policies. She also reviewed the procedures for performing and reviewing bank reconciliations. **MSA that the Membership Director is added as an authorized signer on checks \$10,000 or less.**

Ms. Kuhlman discussed the updated disaster recovery plan, status of the 2016 budget, the review process for the lease for new office space and the internal control procedures surrounding value in kind merchandise.

3. Presentation by K&B - Rob Lane, Laura Pease and Rebecca Stoner of K&B joined the meeting to discuss the 2014 audit results and tax return. Mr. Lane reviewed the required communications with the Committee and noted K&B would be issuing an unmodified opinion. He also indicated no material weaknesses were detected in the internal control system, no illegal acts or irregularities were noted and there were no management recommendations. Mr. Lane also discussed two audit adjustments which were prepared by management.

The Committee discussed their comments and questions with K&B relating to the financial statements, Board report and tax return. K&B noted they were pleased with the quality of the audit materials and the assistance provided by Ms. Kuhlman and her staff during the audit. Ms. Kuhlman was excused from the meeting so that the Committee could meet in executive session with K&B. The Committee thanked K&B for their presentation and Mr. Lane, Ms. Pease and Ms. Stoner left the meeting.

4. Executive Session – The Committee held its annual executive session with Rob Butcher. At the completion of the executive session, Ms. Kuhlman rejoined the meeting.
5. Bi-Annual Review of Audit Committee Charter – The Committee deferred the review of the charter until its next meeting at Convention.
6. Other Matters – Jim Gregory of Northern Trust joined the meeting to meet members of the Investment Committee and provide an overview of Northern’s economic outlook.

There being no further business, the meeting was adjourned at 3:50 p.m.