

Committee Name:	Audit Committee	Session #:	Report #:
Committee Chair:	Elyce Dilworth	Vice Chair:	Teddy Decker
Minutes recorded by:	Elyce Dilworth	Date/time of meeting:	June 9, 2017/8:45 a.m.

Motions Passed:

1.

Number of committee members present: 6	Absent: 0	Number of other delegates present: 3
Committee members present (list all, including chair and vice chair): Elyce Dilworth (Chair), Teddy Decker (Vice Chair), Phil Dodson, Jeanne Ensign, Jill Gellatly, Laura Winslow, Ralph Davis (Treasurer, ex-officio), Susan Kuhlman (Chief Financial Officer, ex-officio) and Lynn Watson (Staff Accountant).		

Minutes

The meeting was called to order at 8:45 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 – Ms. Kuhlman discussed the recent changes in staffing at the National Office. She summarized the work completed over the past year with respect to the IT infrastructure and the tasks the IT contractor was currently working on. Dawson Hughes, Chief Executive Officer, and James Williamson of Bonfire, Inc. joined the meeting to further discuss IT projects. At the conclusion of the report, Mr. Hughes and Mr. Williamson left the meeting.
3. Discussion of LMSC Mandatory Standard for Bank Reconciliations – The Committee reviewed and discussed the current standard for independent review of LMSC bank reconciliations. The Committee agreed to develop recommendations for financial oversight to be provided to the LMSC Development Committee.
4. Discussion of Changes to FOG – Ms. Winslow and Ms. Ensign reviewed pending changes to FOG with the Committee. The Committee concluded the changes were clerical in nature and did not impact the internal controls of the organization.
5. Presentation by K&B - Rob Lane, Laura Brock, Matt DeLoach and Rebecca Stoner of K&B joined the meeting to discuss the 2016 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 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 one audit adjustment and stated there were no uncorrected misstatements.

The Committee discussed their comments and questions with K&B regarding the financial statements. At the conclusion of the financial statement review, Mr. Davis left the meeting.

The Committee also reviewed and discussed the tax return with K&B.

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 and Ms. Watson were 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. Brock, Mr. DeLoach and Ms. Stoner were excused from the meeting.

6. Report from Chief Executive Officer – Ms. Kuhlman, Ms. Watson and Mr. Hughes joined the meeting. Mr. Hughes continued the earlier discussion of IT related matters including the website, outsourced services and the long-term strategy for the organization.
7. Executive Session – Ms. Kuhlman and Ms. Watson were excused from the meeting. The Committee held its annual executive session with Mr. Hughes.
8. Other Matters – The Committee discussed proposed agenda items for Convention including reviewing the Committee’s charter.

There being no further business, the meeting was adjourned at 4:30 p.m.
