



December 1, 2015

To: Audit Committee Members
Reginald Avery
Chao Wu
Edward Berman
James Young

Cc: Milton W. Matthews, President/CEO
Jackie Tuma, Chief Staff Liaison
Members of the Columbia Association Board of Directors

From: Gregg Schwind, Audit Committee Chair

The Audit Committee of the Columbia Association Board of Directors will meet on Monday, December 7, 2015 at Columbia Association Headquarters, 6310 Hillside Court, Columbia, MD 21046 at 7:30 p.m.

AGENDA

- | | |
|--|--------|
| 1. Call to order | 1 min |
| 2. Approval of agenda | 2 min |
| 3. Approval of minutes: <u>September 21, 2015</u> | 5 min |
| 4. Review of financial documents: | 20 min |
| a) FY16 second quarter Financial Report | |
| b) FY16 second quarter financial statements | |
| 5. Motions to recommend Board action (no backup) | 5 min |
| a) Motion to provide the FY16 second quarter Financial Report to the Board of Directors | |
| b) Motion to provide the FY16 second quarter financial statements to the Board of Directors | |
| 6. Motion to close for the purpose of reviewing several internal audit reports and consultation with staff personnel on legal matters in accordance with HOA Section 11B-111.(4)(i,iv) | 79 min |
| 7. Committee Tracking Form (open meeting) | 5 min |
| 8. Adjournment – 9:27 p.m. | |

ARRANGEMENTS FOR AN INTERPRETER FOR THE HEARING IMPAIRED CAN BE MADE BY CALLING 410-715-3111 AT LEAST TWO DAYS IN ADVANCE OF THE MEETING.



September 30, 2015

**MINUTES
AUDIT COMMITTEE MEETING
Held: Monday, September 21, 2015**

Participants: Gregg Schwind, Audit Committee
Reginald Avery, Audit Committee
Chao Wu, Audit Committee
Edward Berman, Audit Committee
James Young, Audit Committee
Nancy McCord, Board of Directors
Milton W. Matthews, President/CEO
Jackie Tuma, Chief Staff Liaison and Director of Internal Audit

Mr. Schwind called the meeting to order at 7:37pm.

Mr. Avery moved to approve the agenda and Mr. Chao seconded. The agenda was approved with a vote of 5-0-0.

For: Messrs. Schwind, Avery, Wu, Berman and Young
Against: None
Abstain: None

Ms. McCord moved to approve the draft minutes from the July 22, 2015 meeting and Mr. Schwind seconded. The minutes were approved as presented with a vote of 4-0-2.

For: Ms. McCord and Messrs. Schwind, Berman and Young
Against: None
Abstain: Messrs. Avery and Wu (did not attend meeting on 7/22/15)

Ms. Susan Krabbe, Vice President and Chief Financial Officer, presented the FY16 first quarter Financial Report and financial statements. Staff responded to questions from the committee.

Mr. Berman moved to provide the FY16 first quarter Financial Report to the Board of Directors. Mr. Avery seconded. The motion passed with a vote of 5-0-0.

For: Messrs. Schwind, Avery, Wu, Berman and Young
Against: None
Abstain: None

DRAFT

Mr. Berman moved to provide the FY16 first quarter financial statements to the Board of Directors. Mr. Avery seconded. The motion passed with a vote of 5-0-0.

For: Messrs. Schwind, Avery, Wu, Berman and Young
Against: None
Abstain: None

Ms. Sheri Fanaroff, General Counsel, presented the draft revisions to CA's ethics policies and responded to questions from the committee. She clarified that the Board Operations Committee requested input from the Audit Committee on its proposed changes to the policies. After discussion about a suggested change pertaining to staff member eligibility for the Spirit of Columbia scholarship, Mr. Avery made a motion to suggest to the Board Operations Committee that it delete the following sentence from section 5 of the draft Code of Business Conduct and Ethics: *Notwithstanding the foregoing, part-time and seasonal CA team members (excluding family members of Board Members and Senior Management Members) are eligible to apply for the Spirit of Columbia Scholarship and to be awarded such Scholarship if they are determined to meet the criteria for such award.* Mr. Wu seconded the motion and it passed with a vote of 4-0-1:

For: Messrs. Schwind, Avery, Wu, and Berman
Against: None
Abstain: Young

Mr. Avery moved to forward the draft ethics documents to the Board Operations Committee (as amended to delete language permitting part-time and seasonal CA team members from being eligible to apply for the Spirit of Columbia Scholarship). Mr. Wu seconded the motion and it passed with a vote of 5-0-0.

For: Messrs. Schwind, Avery, Wu, Berman and Young
Against: None
Abstain: None

Ms. Tuma presented the memorandum regarding internal controls and financial oversight for small nonprofit organizations such as the Inner Arbor Trust. She emphasized that the purpose of the internal controls described in the memorandum is to minimize the risk of errors and irregularities and that such tasks must support board members' duties of care and loyalty to the organization they serve.

At 9:24pm, Mr. Young moved to close the meeting pursuant to HOA Section 11B-111.(4)(i, iv) to review several internal audit reports and for consultation with staff personnel on legal matters. Mr. Wu seconded the motion. The motion passed with a vote of 5-0-0.

For: Messrs. Schwind, Avery, Wu, Berman and Young
Against: None
Abstain: None

DRAFT

The meeting continued in closed session.

At 10:32pm the open meeting reconvened and was adjourned by unanimous consent.



Date: December 1, 2015

To: Members of the Columbia Association Audit Committee

From: Jackie Tuma, Chief Staff Liaison

Cc: Milton W. Matthews, President/CEO
Susan Krabbe, Vice President and CFO
CA Board of Directors

Re: Audit Committee open agenda item #4(a)

The FY16 second quarter Financial Report will be provided by Susan Krabbe prior to the audit Committee meeting.



Date: December 1, 2015

To: Members of the Columbia Association Audit Committee

From: Jackie Tuma, Chief Staff Liaison

Cc: Milton W. Matthews, President/CEO
Susan Krabbe, Vice President and CFO
CA Board of Directors

Re: Audit Committee open agenda item #4(b)

The FY16 second quarter financial statements will be provided by Susan Krabbe prior to the audit Committee meeting.

**Tracking Form - Audit Committee
Open Meeting Items**

	Submitted to Committee by (name):	Date sent to Committee	Description of Topic	Action to be Taken	Date Due to AC	Extensions	Revised Due Date to AC	Item Complete? (Y/N)
1	Mr. Young	6/24/2015	Provide a copy of the current and most recent organization charts.	Ms. Krabbe to provide.	July 2015 AC meeting	-	-	Y - provided to AC with draft minutes from the June 2015 meeting.
2	Mr. Berman	6/24/2015	Expand the description of IA's independence in the Office of Internal Audit Mission Statement and Charter.	Ms. Tuma to revise.	July 2015 AC meeting	-	-	Y - Done.