



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

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

The meeting continued in closed session.

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