



GVR Mission Statement: “To provide recreational, social and leisure education opportunities that enhance the quality of our members’ lives.”

MINUTES AUDIT COMMITTEE

Tuesday, May 28, 2019

Draft of Minutes approved by Chair, Gail Vanderhoof (June 21, 2019)

Approved by Committee August 26, 2019

COMMITTEE: Gail Vanderhoof, Chair; Don Weaver, Vice-Chair; Pat Reynolds, Ted Schultz, Terry Vogler

PRESENT: Pat Reynolds, Ted Schultz, Gail Vanderhoof, Terry Vogler, Don Weaver

MINUTES of May 7, 2019 approved unanimously.

Motion: GVR bylaws require an audit be done each calendar year. They also require the audit report be presented to our membership at our March General Meeting. To meet these time constraints, the committee agreed to verify with management that an auditor may perform preliminary work in November and/or December and begin final review by or before January 15. Motion unanimous

National standards state that a nonprofit audit committee (pending board approval!) selects the auditor; contracts with the firm; reviews the audit; and acts as go-between for the auditing team and the staff. The committee then approves the audit and prepares their report to the board in an executive session, often inviting the auditor to contribute and answer questions.

Motion: GVRs audit must be reviewed and approved by the Audit Committee prior to a board vote. To comply with our bylaws, the audit must also be reviewed and approved by GVR’s treasurer, prior to board approval. We will also include the chair of Fiscal Affairs in the review process even though his/her approval is not required. Unanimous approval

Potential Interview Questions: We have a good start and will work independently on potential questions for auditor interviews. We will keep Cheryl updated and welcome her input.

Motion: We approved the concept and draft of an Audit Committee Work Plan. Our draft contains the requirements for “best practices” of the National Nonprofit Council and the AICPA and we will incorporate IRS requirements. This work plan will be our guide for our committee and an aid to future committees.

Audit Committee Policy. We need to update the CPM audit committee policy for the CPM and for the Carver Governance Policy document. Gail will do a draft

Motion: We are reviewing the draft of GVR's 2018 IRS form 990 to identify questions and concerns. We will independently review it and communicate by email. Unanimous.

Gail will request Management Letters from past audits. Past issues need to be reviewed and signed off officially by the audit committee. We will need a safe storage of these and other permanent records. Gail will ask GVR's President to arrange for storage.

AUDIT - BYLAW REQUIREMENTS:

The Audit Committee:

The Audit Committee shall occupy an oversight role of the financial structure, internal controls, etc., of The Corporation with access to the books and records and the activities of Management and Staff personnel. The financial records of The Corporation shall be audited following the close of each fiscal year by an independent auditing firm.

The Treasurer:

The Annual Meeting of The Corporation shall be held within ninety days (90) after the end of the fiscal year, and shall include a report of the outside auditor... The Treasurer shall exercise an oversight role of the financial affairs of The Corporation to ensure that financial records are kept in accordance with generally accepted accounting standards. The Treasurer shall ensure that timely, accurate financial statements are presented to the Directors and that the financial records of The Corporation are audited in accordance with the provisions of these Bylaws.

ACCOMPLISHMENTS TO DATE: (June 21.2019)

Determined we need an external independent financial audit.

Discussed requirements: nonprofit knowledge and multiple CPAs for variety of expertise.

Selected qualifying auditors and chose top five firms.

Drafted and approved RFP. (Request for Proposal)

Sent RFPs.

By request, we reviewed the possibility of an additional internal audit this year.

Committee decision: concentrate on external.

Researched Nonprofit Council & AICPA model documents:

Audits

Role of Audit committees

“Separation” requirements

Audit Policy requirements

Whistleblower requirements

Tax form required review of 990

Passed motion to update bylaws for board vote

Obtained documents: 3 years of 990s, audits, management letters. (draft of one – Cheryl will send final one later)

Draft of audit work plan

Draft of audit policy for CPM and Carver Governance

Draft of questions for auditor interviews.

Draft of Conflict of Interest (Required by form 990)

Reviewed and approved for filing 2018 form 990