

**Legal Services Corporation
Meeting of the Audit Committee**

Open Session

Sunday, July 21, 2013

Committee Chairman Victor B. Maddox convened an open session meeting of the Legal Services Corporation's ("LSC") Audit Committee ("the Committee") at 3:09 p.m., July 21, 2013. The meeting was held at the Warwick Hotel, 1776 Grant Street, Denver, Colorado 80203.

The following Committee members were present:

Victor B. Maddox, Chairman
Harry J.F. Korrell, III
Gloria Valencia-Weber
David Hoffman (Non-Director Member) (by telephone)
Paul L. Snyder (Non-Director Member) (by telephone)
John G. Levi, *ex officio*

Other Board members present:

Sharon L. Browne
Robert J. Grey, Jr.
Charles N.W. Keckler
Laurie Mikva
Martha L. Minow (by telephone)
Father Pius Pietrzyk
Julie A. Reiskin

Also attending were:

James J. Sandman	President
Lynn Jennings	Vice President for Grants Management
Wendy Rhein	Chief Development Officer
Richard L. Sloane	Chief of Staff and Special Assistant to the President
Rebecca Fertig	Special Assistant to the President
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
David L. Richardson	Comptroller and Treasurer
Carol A. Bergman	Director, Office of Government Relations and Public Affairs (GRPA)
Jeffrey E. Schanz,	Inspector General
Laurie Tarantowicz	Assistant Inspector General and Legal Counsel, Office of the Inspector General (OIG)
Ronald "Dutch" Merryman	Assistant Inspector General for Audit, OIG
Thomas Coogan	Assistant Inspector General for Investigations, OIG
David Maddox	Assistant Inspector General for Management and Evaluation, OIG
Lora M. Rath	Director, Office of Compliance and Enforcement (OCE)

Janet LaBella	Director, Office of Program Performance (OPP)
Herbert S. Garten	Non-Director Member, Institutional Advancement Committee
Allan J. Tanenbaum	Non-Director Member, Finance Committee
Jonathan D. Asher	Executive Director, New Mexico Legal Aid
Chuck Greenfield	National Legal Aid and Defender Association (NLADA)
Don Saunders	National Legal Aid and Defenders Association (NLADA)
Lisa Wood	American Bar Association Standing Committee on Legal Aid and Indigent Defendants (SCLAID)
Meredith McBurney	American Bar Association Standing Committee on Legal Aid and Indigent Defendant (SCLAID)

The following summarizes actions taken by, and presentations made to, the Audit Committee:

Chairman Maddox called the meeting to order and noted the presence of a quorum.

MOTION

Mr. Levi moved to approve the agenda. Professor Valencia-Weber seconded the motion.

VOTE

The motion passed by voice vote.

Ms. Jennings reported on LSC Management (“Management”) activities for grantee training. She explained that LSC currently provides limited training, but Management hopes to develop and begin offering more robust interactive online training tools in the next six to twelve months.

Inspector General Schanz next gave a briefing on the activities of the Office of Inspector General (“OIG”). He addressed budgetary and oversight issues involving Hurricane Sandy funds and grantee training, and he reported that the OIG extended the contract with LSC’s fiscal auditors, WithumSmith+Brown, for another year.

Next, President Sandman, Mr. Flagg, Mr. Richardson, and Inspector General Schanz resumed the discussion from the Committee’s July 2nd telephonic meeting regarding risk assessment by Management and the OIG. Mr. Flagg reported on changes to the risk assessment matrix and identified areas of risk that Management deemed most significant. He also presented recommendations for reporting identified areas of risk to each Board committee based on each committee’s charter.

Inspector General Schanz and Ms. Rath next led the discussion regarding the Office of Compliance and Enforcement’s (“OCE”) follow-up to OIG investigations and audit reports. Ms. Rath presented a series of charts detailing referrals from the OIG and the progress being made on each referral. Inspector General Schanz, Mr. Merryman, and Ms. Rath answered Committee members’ questions.

Chairman Maddox invited public comments. Mr. Greenfield commented that grantees spend a lot of time and LSC funds responding to inquiries from the OIG and OCE. He suggested that the OIG and Management need to communicate with each other more, particularly with respect to questioned cost matters.

There was no other business to consider.

The meeting of the Committee continued in closed session briefly.

The meeting of the Committee reconvened in open session.

MOTION

Professor Valencia-Weber moved to adjourn the meeting. Mr. Korrell seconded the motion.

VOTE

The motion passed by a voice vote.

The meeting of the Committee adjourned at 4:53 p.m.

I hereby certify that this is a true and correct copy of the minutes adopted by the Legal Services Corporation's Audit Committee on October 20, 2013.



Ronald S. Flagg
Vice President for Legal Affairs,
General Counsel & Corporate Secretary