

**Legal Services Corporation  
Telephonic Meeting of the Audit Committee  
Open Session**

**Tuesday, July 2, 2013**

Committee Chairman Victor B. Maddox convened an open session telephonic meeting of the Legal Services Corporation's ("LSC") Audit Committee ("the Committee") at 11:05 a.m. on Tuesday, July 2, 2013. The meeting was held in the John N. Erlenborn Conference Room, Legal Services Corporation, 3333 K Street, N.W. Washington, D.C. 20007.

The following Committee members were present:

Victor B. Maddox, Chairperson  
Harry J.F. Korrell, III  
Gloria Valencia-Weber  
David Hoffman (Non-Director Member)  
Paul L. Snyder (Non-Director Member)

Other Board Members Present:

Sharon L. Browne  
Julie A. Reiskin

Also attending were:

James J. Sandman	President
Wendy Rhein	Chief Development Officer
Rebecca Fertig	Special Assistant to the President
Ronald S. Flagg	Vice President for Legal Affairs, General Counsel, and Corporate Secretary
Katherine Ward	Executive Assistant, Office of Legal Affairs
David L. Richardson	Comptroller and Treasurer
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
Daniel Sheahan	Program Evaluation Analyst, OIG
Magali Khalkho	Resource Management Specialist, OIG
Lora M. Rath	Deputy Director, Office of Compliance and Enforcement (OCE)
Herbert S. Garten	Non-Director Member, Institutional Advancement Committee

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

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

**MOTION**

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

**VOTE**

The motion passed by voice vote.

**MOTION**

Professor Valencia-Weber moved to approve the minutes of the Committee's meeting of April 15, 2013. Mr. Snyder seconded the motion.

**VOTE**

The motion was passed by voice vote.

Committee Chairman Maddox welcomed Mr. Flagg, the new Vice President of Legal Affairs.

Mr. Snyder introduced the discussion on risk assessment and then asked LSC Management ("Management") and the Office of Inspector General ("OIG") to discuss the Corporation's risk management plan and to identify risks to be the subject of reports at future Committee meetings. Management and the OIG responded to questions and comments from Committee members. President Sandman stated that Management would continue to assess the probability and severity of various risks, as well as to provide the Committee with recommendations for allocating risk areas for reporting and oversight purposes among the different Board committees.

Mr. Hoffman led the discussion on procedures relating to OIG investigations and audit reports that result in follow-up work by the Office of Compliance and Enforcement. Mr. Merryman explained the OIG's audit and follow-up process, and Ms. Rath reported on the frequency of OIG referrals and the questioned-cost process. Mr. Merryman and Ms. Rath answered Committee members' questions.

Committee Chairman Maddox invited public comments and received none.

There was no other business to consider.

**MOTION**

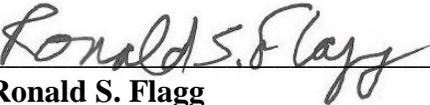
Professor Valencia-Weber moved to adjourn the meeting. Mr. Hoffman seconded the motion.

**VOTE**

The motion passed by a voice vote.

The meeting of the Committee adjourned at 12:00 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.*

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