

**Minutes**

**Presbyterian Mission Agency Board Audit Committee Meeting  
September 4, 2014**

**Presbyterian Center  
Louisville, KY**

**Conference Call**

**ATTENDANCE:**

Molly Baskin, Chair  
Thomas Fleming  
Ellen Pearre Cason  
Richard Turpen  
Kears Pollock, Vice Chair

**STAFF:**

Timothy Stepp, PMA  
Martha Clark, PMA  
Shawn Ellison, PMA  
Linda Valentine, PMA  
Earline Williams, PMA  
Barry Creech, PMA

**Guests:**

Marilyn Gamm  
Jo Stewart

**Thursday, September 4, 2014:**

Mr. Turpen opened the Audit Committee with prayer.

**MOVED, SECONDED, and CARRIED:** The Audit Committee adopted the agenda.

The audit committee entered executive session with management.

The audit committee arose from executive session with management.

The following actions were approved in executive session:

- The audit committee received the confidential report from Internal Audit.
- The audit committee approved its report on the investigation, dated September 4, 2014.

The audit committee adjourned with prayer.

Respectfully submitted,

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Molly Baskin, Chair

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Timothy Stepp, Recorder of the Minutes

**Report of the Audit Committee of the  
Presbyterian Church (U.S.A.) Mission Agency [PMA] Board  
and Presbyterian Church (U.S.A.), A Corporation [PC(USA)]  
to the PMA Board of Directors  
September 4, 2014**

**The Audit Committee:**

According to the PMA Manual of Operations and the Audit Committee's charter, among the primary functions of the Audit Committee is to monitor the integrity of the established system of Internal Control regarding finance, accounting, legal compliance and ethics. The Audit Committee has the authority to conduct any investigation appropriate to fulfilling its responsibilities, and in this regard, it has direct access to anyone in the PMA.

**Status:**

On April 23, 2014, the Audit Committee was informed of material unbudgeted expenditures associated with the 2013 Youth Triennium. It reported this information to PC(USA)'s external auditors, and (without noting the amount or program) to the PMA Executive Committee on April 23 and in a closed session to the PMA Board on April 24.

The Audit Committee directed the PMA Internal Audit Department to perform an Internal Audit Review and to report the results to the Audit Committee. The Audit Committee has received the Internal Audit Review Report dated August 29, 2014 showing actual expenditures of \$598,901 over the original approved budget, and a net deficit for the event of (\$287,213). This report has been referred to the Legal/Risk Management Services Office, to work with the Internal Audit Department to develop specific proposed changes to contracts and procedures for the upcoming Triennium. We expect that process to take several more weeks and will report further at that time.