

**TSC Alliance  
Audit Committee Meeting  
June 13, 2023, 5:00 pm ET  
Approved on 9/6/23**

**In attendance:**

**Committee Members:** Steven Goldstein (Chair), David Coit, Tara Zimmerman

**Staff:** Cynthia Arcuri, Kari Rosbeck

**Welcome and Approval of the Minutes from the March 31, 2023 Audit Committee meetings**

Steven Goldstein called the meeting to order at 5:03 p.m. ET. A quorum of voting members was present. *Goldstein* moved to approve the March 31, 2023 meeting minutes. *Coit* seconded the motion. *The minutes were passed without dissent.*

**Review and Approval of Updated Systems Documentation (Internal Controls)**

Steven reviewed the Updated Systems Documentation and felt it was a significant document. Redlined items are the updates. Changes mostly had to deal with staff titles. We have good segregation of duties and updates were made to payroll recording as we moved to electronic vs. paper bi-weekly timesheets. Cynthia Arcuri mentioned she met with Kari Rosbeck, TSC Alliance President and CEO, to review all details.

*Coit* moved to approve the modifications to Systems Documentation (Internal Controls) and reconfirmed the policies. *Goldstein* seconded the motion. *The motion passed without dissent.*

**Progress of the 2023 Audit Committee Goals and Suggested Changes for 2024 Goals**

**2023      Audit Committee Goals**

1. Select and engage an audit firm staying within the GAAP regulations regarding independence.
  - i. Completed – Engaged Calibre CPA firm for 2022 audit and tax engagement with understanding that it would be a multi-year relationship.
2. Assist management in designing and implementing programs and controls to prevent and detect internal and external fraud.
  - i. Will be reviewing the Systems Documentation for Committee feedback.
3. Review footnotes of the financial statements for 2023 particularly regarding estimates used by management.

- i. Reviewed 2022 financial statements and footnotes on March 31, 2023.
4. Review the Form 990 for the most beneficial presentation for third-party ratings of the organization, staying within IRS regulations.
  - i. Completed on March 31, 2023.
5. Inform and help support the organization's efforts to implement FASB changes and accounting standards.
  - i. None noted requiring implementation in FY 2023.
6. Review the calendar with CFO and auditors to adhere to milestone dates for timely filing of the audit and Form 990.
  - i. Completed – all audit and tax prep milestones were met. First year set up required additional time but next year audit firm will be more prepared.
7. Keep general membership and Board informed of accounting updates during the year.
  - i. Annual report with financial statements were mailed and emailed end of May.
8. Assist management in the mitigation of cyber risk through the implementation of any remaining NIST recommendations to strengthen internal controls based on prioritization by Audit Committee.
  - i. Review outstanding NIST assignments and determine if remaining items are impactful and/or necessary. There are three that were in process to be done in 2022.
9. Identify a prospective Audit Committee Chair for term beginning after 2025.
  - i. Identified prospect who would be interested in Chair position and would like to be part of Committee for 1-year prior. Rich Gollub is interested in joining as a non-voting committee member.
  - ii. Secondary prospect on slate of Board nominees for 2024 who is a CPA. Mark Spotts could be considered for a member of Audit Committee in 2024.
  - iii. If we integrate with TLF, their current Treasurer could be a prospect for the Audit Committee.

## **2024 DRAFT Audit Committee Goals**

1. Engage an audit firm staying within the GAAP regulations regarding independence.

2. Assist management in designing and implementing programs and controls to prevent and detect internal and external fraud.
3. Review footnotes of the financial statements for 2023 particularly regarding estimates used by management.
4. Review the Form 990 for the most beneficial presentation for third-party ratings of the organization, staying within IRS regulations.
5. Inform and help support the organization's efforts to implement FASB changes and accounting standards.
6. Review the calendar with CFO and auditors to adhere to milestone dates for timely filing of the audit and Form 990.
7. Keep general membership and Board informed of accounting updates during the year.
8. Assist management in the mitigation of cyber risk through the implementation of any remaining NIST recommendations to strengthen internal controls based on prioritization by Audit Committee.
9. Training incoming Audit Committee Chair for term beginning after 2025.

Once we receive additional guidance from the auditors on the remaining NIST recommendations for goal #8, the Committee will review the 2024 goals for approval.

#### **Discussion of Outstanding NIST Items**

Cynthia has not received appropriate policies from Optimal. The Committee reviewed the NIST recommendations. Because the remaining items are low risk, should we pursue or should we focus on moderate NIST recommendations. Steven recommended that we run the list by Calibre and David suggested that we share the process with the board. Cynthia will share information back from Calibre and we can share status with Executive Committee in August.

#### **Future Meetings Schedule:**

- 3<sup>rd</sup> Quarter meeting – Wednesday, September 6, 2023 – 5:00 PM Eastern
- 4<sup>th</sup> Quarter meeting – Friday, October 13, 2023 – TIME TBD

#### **Other Business**

David Coit is on an industry association board. They have made a recommendation of not accepting checks. David can send additional information to review with auditors for their opinion.

There being no other business, Goldstein moved to adjourn the meeting at 5:31 pm ET.  
Coit seconded the motion.

Respectfully submitted,  
Kari Luther Rosbeck, President and CEO