

**Legal Services Corporation
Meeting of the Audit Committee
Open Session
Thursday, January 19, 2012**

DRAFT MINUTES

Chairman Victor B. Maddox convened an *open session* meeting of the Legal Services Corporation's ("LSC") Audit Committee ("the Committee") at 3:31 p.m. on Thursday, January 19, 2012. The meeting was held at the Legal Aid Society of San Diego, 1764 San Diego Avenue, San Diego, California 92110.

The following Committee members were in attendance:

Victor B. Maddox, Chairman
Harry J. F. Korrell, III
Gloria Valencia-Weber

The following Board members were present:

Sharon L. Browne
Laurie Mikva
Robert J. Grey, Jr.
Charles N.W. Keckler
Father Pius Pietrzyk, O.P.
Julie Reiskin

Also in attendance were:

James J. Sandman, President
Richard L. Sloane, Special Assistant to the President
Kathleen Connors, Executive Assistant to the
President
Victor M. Fortuno, Vice President for Legal Affairs,

General Counsel & Corporate Secretary
Mattie Cohan, Senior Assistant General Counsel,
Office of Legal Affairs
Katherine Ward, Executive Assistant, Office of Legal
Affairs
David L. Richardson, Treasurer & Comptroller,
Office of Financial and Administrative Services
John Constance, Director, Office of Government Relations &
Public Affairs (“GRPA”)
Steven Barr, Communications Director, GRPA
Janet LaBella, Director, Office of Program Performance
Jeffrey E. Schanz, Inspector General (“IG”)
Laurie Tarantowicz, Assistant IG & Legal Counsel
Joel Gallay, Special Counsel to the IG
David Maddox, Assistant IG for Management & Evaluation
Ronald "Dutch" Merryman, Assistant IG for Audit
Nancy Davis, WithumSmith+Brown
Dennis Holz, Managing Attorney, Legal Aid Society of
San Diego (“LASSD”)
Toby Rothschild, General Counsel, Legal Aid Foundation of
Los Angeles
Thomas Smegal, Jr., Former LSC Board Member, Member of
the Institutional Advancement Committee and Member of
the Board of Directors of Friends of the Legal Services
Corporation
Don Saunders, National Legal Aid & Defenders Association (“NLADA”)
Charles “Chuck” Greenfield, NLADA
Justice Earl Johnson, Jr., American Bar Association Standing Committee
on Legal Aid and Indigent Defendants

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

Chairman Maddox announced that Non-Director member David Hoffman was unable to attend the meeting.

Mr. Korrell moved approval of the agenda. Professor Valencia-Weber seconded.

VOTE

The motion was approved by a voice vote.

Chairman Maddox announced that Paul Snyder, member of the Fiscal Oversight Taskforce, agreed to be a Non-Director member of the Audit Committee and would join the Committee at future meetings.

MOTION

Mr. Korrell moved approval of minutes of the Committee's October 17, 2011 meeting with the proviso that: reclassify Sharon Browne as a Board member in attendance at the meeting; correct the misspelling of "Sidley" in the reference to the law firm of "Sidley Austin;" and delete the extra letter

“b” in the name of Professor Valencia-Weber. Professor Valencia-Weber seconded the motion.

VOTE

The motion passed by a voice vote and the minutes were approved as amended.

Assistant Inspector General (“IG”) for Audit, Ronald Merryman, introduced to the Committee Nancy Davis of WithumSmith+Brown, who presented the results of LSC’s Fiscal Year (“FY”) 2011 annual financial audit.

Janet LaBella, Director, Office of Program Performance (“OPP”), gave an overview of how OPP provides grantee oversight. Richard Sloane, Special Assistant to the President, followed with a report on the performance of LSC’s 403(b) Thrift Plan.

Chairman Maddox announced that the Committee would defer action on revisions to the Committee’s Charter due to the absence of two Committee members from the meeting. Senior Assistant General Counsel Mattie Cohan then reviewed proposed changes to the Committee’s Charter.

During discussion, Mr. Korrell asked for an annotated version of proposed changes to the Charter.

The Committee agreed to discuss its self-evaluation at another meeting and deferred the closed session communication with Ms. Davis regarding the Corporation's FY 2011 annual financial audit.

No comments were offered by members of the public and there was no further business to come before the Committee.

MOTION

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

VOTE

The motion passed by a voice vote and the meeting adjourned at 4:38 p.m.