CHARTER OF THE AUDIT COMMITTEE OF LEGAL SERVICES CORPORATION
As Amended October 1, 2012

I. Establishment

On March 24, 2008, the Board of Directors ("Board") of the Legal Services Corporation ("LSC" or "Corporation") established, as a standing Board advisory committee, to be known as the Audit Committee (the "Committee").

II. Purposes

The purpose of the Committee shall be: (1) to perform the functions delineated below as a means of assessing the matters addressed herein and advising the Board in fulfilling the Board's responsibilities to ensure that the Corporation's assets are properly safeguarded and to oversee the quality and integrity of the Corporation's accounting, auditing, and reporting practices and, when warranted, report on such practices to the Board; and (2) to perform such other duties as assigned by the Board.

III. Membership

The Board or, upon delegation, the Chairman of the Board ("Chairman") shall appoint at least three Directors other than the Chairman to serve on the Committee. The Board or, upon delegation, the Chairman shall appoint the Chair of the Audit Committee from among these Directors. The Board or, up on delegation, the Chairman, may appoint non-Directors as members of the Committee. A majority of the Director members of the Committee (or two, if their number is even) will be required in order to constitute a quorum. No member of the Committee may be an officer or employee of the Corporation. To the extent practicable, members of the Committee should have at least a basic understanding of finance and accounting, be able to read and understand fundamental financial statements, and understand the Corporation's financial operations and reporting requirements.

IV. Terms

Members of the Committee shall serve for a term of one year, or until their earlier resignation, replacement or removal from the Committee or Board.

V. Meetings

The Committee:

(1) shall meet at least four times per calendar year, but may meet more frequently at the call of any member of the Committee; and

(2) may adopt procedural rules that are not inconsistent with this Charter, the Corporation's Bylaws, or the laws to which the Corporation is subject.

VI. Resources

All offices, divisions and components of the Corporation ("Management"), including the Office of Inspector General ("OIG") are expected to cooperate with all requests made by the Committee for information, and Management shall provide any necessary support. The Committee shall be given the resources necessary to carry out its responsibilities.

VII. Authority

The Committee:

(1) shall, unless otherwise directed by the Board, annually review and discuss with the Inspector General (IG) the selection and retention of the external auditor (External Auditor) by the IG, and shall provide the Board with its assessment of the qualifications and independence of the External Auditor selected and retained by the IG;

(2) shall have unrestricted access to the Corporation's books, records, facilities, personnel, and External Auditor(s), except with regard to confidential information in the possession of the OIG that it is prohibited by law from sharing with the Board;

(3) is authorized to carry out the functions described in this Charter, as well as any other activities reasonably related to the Committee's purposes or as may be directed by the Board from time to time;

(4) may delegate authority to one or more designated members of the Committee;

(5) may rely on the expertise and knowledge of Management, the OIG, External Auditor(s), and such consultants and experts that the Board approves for carrying out its oversight responsibilities;

(6) may authorize to be conducted, or itself conduct, reviews into any matters within the scope of its responsibilities; and

(7) may request that the Board require any person, including the External

Auditor or any officer or employee of the Corporation, to attend Committee meetings or to meet with any member(s) of or advisor(s) to the Committee.

VIII. Duties and Responsibilities

A. Audits and Audit Related Matters

To best understand audits and audit related matters in order to report to and properly advise the Board, the Committee shall:

(1) review and discuss with Management, the OIG, and the Corporation's External Auditor(s) the contemplated scope and plan for LSC's required annual audit;

(2) review and discuss with the External Auditor(s), the OIG, and Management the annual audit report and results of the External Auditor's year-end audit, including any problems or difficulties encountered by the External Auditor(s); any response by Management or the OIG to any audit findings; any areas of significant disagreement between Management, the OIG, and the External Auditor(s); and any recommendations of the External Auditor(s);

(3) review and discuss with the OIG its audit responsibilities and performance; its audit plan for the Corporation and the risk assessment that drives its audit plan; and the effectiveness of its audit plan and activities; and may suggest to the OIG the performance of any audits that would assist the Committee or the Board of Directors;

(4) review and discuss with the OIG all significant matters relative to audits performed by the OIG, including any problems the OIG encountered while performing their audits, and thus better understand LSC's control environment;

(5) review and discuss with Management and the Board the Corporation's response to and, where appropriate, timely implementation of, significant findings and recommendations made by the OIG and External Auditor(s); and

(6) review and discuss with Management any internal audit or review activities, including its audit or review plan, its audit or review reports, and the performance of those portions of Management that perform audits or reviews.

B. Financial Reporting:

To best understand financial reporting at LSC in order to report to and properly

advise the Board, the Committee shall:

(1) review Management representation letters or certifications and the LSC Finance Committee chairperson's letters or certifications regarding the contents, accuracy, or completeness of financial reports, as appropriate;

(2) review all issues identified and brought to the Committee's attention by Management, the OIG, the GAO or the External Auditor that may have a material effect on the Corporation's financial statements; and

(3) review any significant deficiencies in internal control over financial reporting identified by Management, the OIG, or the External Auditor(s) and ensure that corrective action is taken by Management.

C. Risk Management

To best understand risk management issues at LSC in order to report to and properly advise the Board, the Committee shall:

(1) review LSC's system of internal controls that are designed to minimize the risk of fraud, theft, corruption, or misuse of funds and, for such purpose, is authorized to receive information:

a. from Management about whether internal controls performed by Management are operating properly,

b. from OIG about whether its investigations function, audit function, and compliance function are operating properly, and

c. from Management and OIG about whether there is proper coordination and communication between them regarding their respective operations designed to minimize the risk of fraud, theft, corruption, or misuse of funds;

(2) ensure that its review of the OIG's investigations *function* occurs in a manner that does not compromise the OIG's independence or the confidentiality of its investigations;

(3) consult with the Inspector General as to an appropriate approach regarding communications and meetings between the Committee and the OIG;

(4) review any concerns expressed regarding any impediments to the independence of the OIG, and report to the Board on any such concerns;

(5) itself verify and then confirm for the Board that there is a proper

confidential mechanism in place for individuals to make complaints, anonymously if desired, regarding suspected fraud, theft, corruption, or misuse of funds, or problems involving internal controls, auditing, or accounting, and that there are proper procedures in place for the receipt, retention, and handling of such complaints; and

(6) review LSC's efforts, including training and education, to help ensure that LSC employees and grantees act ethically and safeguard LSC funds.

D. Other Duties and Responsibilities

The Committee shall:

(1) report to the Board at least four times per calendar year and on such other occasions as requested to do so by the Board;

(2) periodically assess the Committee's performance under the Charter, reassess the adequacy of the Charter, and report to the Board the results of the evaluation and any recommendations for proposed changes to the Charter; and

(3) perform such other duties, consistent with this Charter, as are assigned to the Committee by the Board.

IX. Overall Limitations

(1) Nothing contained in this Charter is intended to expand the applicable standards of liability under statutory or regulatory requirements for the Board or its Directors.

(2) Members of the Committee are entitled to rely on the expertise, knowledge, and judgment of Management, the Inspector General, and the External Auditor(s) and any consultant or expert retained by them. The Committee's responsibilities are not to be interpreted as a substitute for the professional obligations of others.

(3) It is not the duty of the Committee to conduct audits or to determine that the Corporation's financial statements are in accordance with generally accepted accounting principles, generally accepted government auditing standards (the "Yellow Book") and other applicable rules, regulations, guidelines and instructions. These are the responsibilities of the OIG, the External Auditor(s) and Management.

(4) Nothing contained in this Charter shall be construed as limiting the authority of the Inspector General under the Inspector General Act or is intended to restrict the authority of the Inspector General to conduct, supervise, and coordinate audits and investigations relating to

the programs and operations of the Corporation.

(5) The Committee is an advisory committee, as defined at D.C. Code § 29-406.25(h), and nothing contained in this Charter shall be construed as authorizing the Committee to exercise the powers of the Board of Directors.

Katherine Ward

From: Kathleen McNamara
Sent: Tuesday, November 06, 2012 1:40 PM
To: Sharon L. Browne; Robert J. Grey; 'Charles NW. Keckler (cnk3@dsl.psu.edu)'; Harry JF. Korrell; Victor B. Maddox; Laurie Mikva; Joseph P. Pietrzyk; 'jreiskin@ccdconline.net'; Gloria Valencia-Weber; Martha Minow; John G. Levi
Cc: Rebecca S. Fertig; Victor Fortuno; Jim Sandman; 'Connie Bellner'; 'Alexander, Donna (donnaalexander@dwt.com)'; 'Shirley Fox (RGrey's Asst)'; 'Cummins, Marcia D.'; Jeffrey Schanz; Carol Bergman; 'kflower@law.harvard.edu' (kflower@law.harvard.edu); Atitaya Rok; Katherine Ward; Laurie Tarantowicz
Subject: Scheduled: LSC Board Meeting via Teleconference to discuss Board's draft comments to the OIG's SAR Report

Importance: High

Dear Members of the Board,

Thank you for your swift response to our request for your availability. The Board Meeting via Teleconference to discuss the Board's draft comments to the OIG's SAR Report will take place on Wednesday, November 28, at 12 noon Eastern Standard Time.

The SAR was sent to you electronically on October 31. The Federal Register Notice of this meeting and the Board's draft comments will be sent to you electronically by November 20 so you are able to view them before the call.

Thank you for your assistance in planning this meeting.

Best,

Kathleen McNamara
Executive Assistant to the President
Legal Services Corporation
Direct: 202.295.1617

LSC
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