

MINUTES

PNB Audit Committee

Teleconference Meeting May 18, 2005, at 8:00PM EDT

Notes submitted by Mary Berg, secretary pro tem.

I. MOTIONS PASSED:

- 1) Donna Warren is nominated for chair.
- 2) Terry Goodman and Mary Berg are nominated for secretary.
- 3) Donna Warren and Mary Berg are elected chair and secretary pro tem for this meeting, without objection.
- 4) Motion: The meetings will take place on the third Wednesday of every month; if, on the day before a meeting, no agenda items have been submitted, the chair or the secretary will send out notice that the meeting has been cancelled.
- 5) Motion: The Audit Committee recommend that the PNB adopt the following policy regarding membership on the Audit Committee:

Any member of the Audit Committee who has three consecutive absences which are not excused by a majority of those present at the meetings shall be removed; and their position may be filled by the same process by which it was originally filled. The policy shall take effect starting with this meeting.

II. MEETING MINUTES:

Determination of Quorum:

Present for all or part of the meeting: MB, JB, BET, BL, BR, SR, DW, CW, TA, TG.

Note: Ben Garcia is also on the call, in his capacity as controller, non-voting.

Absent: SB, CG, AL, NK, SY

Quorum is met.

TA=Teresa Allen

MB=Mary Berg

SB=Sarah Bittle

JB=Jim Brown

BET=Brian Edwards-Tiekert

TG=Terry Goodman

CG=Cheryl Griffin
NK=Ngozi Kamau
BL=Bob Lederer
AL=Ambrose Lane Sr
BR=Berthold Reimers
SR=Sarv Randhawa
DW=Donna Warren
CW=Carol Wolfe
SY=Susan Young

1. Nominations:

Nominations for Chair:

MB nominates DW. No other nominations. DW accepts the nominations but will leave the nominations open on line for 1 week.

Nominations for Secretary: BET and BR nominate TG in absentia. DW nominates MB.

Donna Warren and Mary Berg are elected chair and secretary pro tem for this meeting, without objection.

2. Approve Agenda:

BR: Add to agenda: Item 6. Detailed info on bank credit card account that Pacifica opened and then closed.

BL: Add to agenda: Item 3. Frequency/end time of meetings.

Agenda approved as amended.

3. Frequency/end time of meetings:

We agree to end meeting at 9:15 EDT.

BL: Doesn't seem necessary to meet every month. Every 3 months would seem OK.

BR: Feels we should meet monthly, every 6 weeks at most. Feels we are underestimating the value of the audit committee. If anything, there is a backlog of work to do, a lot of issues to be discussed.

SR: What do bylaws say about the scope of audit committee's work?

BET: (reads) nothing; only that it oversees the annual audit and that members cannot also be on finance committee.

DW: Agrees with BR. Did a lot of research on audit committees. There is a lot of work to be done.

Sent out a lot of information; will send the information again. We can basically write our own mission

statement. Proposes we meet monthly. If on the day before the meeting, there is no agenda on given month, secretary can send out notice that the committee will not meet.

BL: Moves that the committee meet bimonthly (every other month) unless it determines otherwise, on a case-by-case basis. Motion is seconded.

BET: Proposes substitute motion: that the committee set the time and date of its next meeting at the end of each meeting, on an as-needed basis. Substitute motion is seconded.

BR: Feels that's very unrealistic, waste a lot of time trying to find a date all can agree on. Better to set monthly meetings in advance and to cancel if nothing to discuss on a given month. Makes substitute motion to set up monthly meeting, and the chair or secretary will contact members to see if the meeting is necessary.

DW: This was her original proposal. She and BR clarify language:

Motion: The meetings will take place on the third Wednesday of every month, at the same time every month; if, on the day before a meeting, no agenda items have been submitted, the chair or the secretary will send out notice that the meeting has been cancelled.

Further discussion ensues.

DW: calls questions on the BR's substitute motion. BET objects; says therefore 2/3 vote is needed to end debate. BL: can't call the question in committees. When time is up, move directly to a vote or move to extend time. Roll call on vote:

5 YES: MB, BR, CW, JB, DW.

3 NO: SR, BL, BET.

MOTION PASSES.

BET suggests that someone check on the legality under our bylaws of cancelling noticed meetings on short notice.

Note from secretary pro tem: I researched the bylaws and found nothing regarding cancellation of a meeting, whether PNB, LSB, or other national or local committees. I also found nothing in Robert's Rules on the subject. As far as I can determine, policy and practice of the PNB committee meetings has permitted cancellation on notice shorter than one day, e.g., the Election Review Committee meeting originally scheduled for Monday 5/23, which was cancelled less than an hour beforehand.

4. Removal of Members Who Haven't Attended Meetings:

DW: The bylaws say LSB delegates are automatically removed after three consecutive unexcused absences from LSB meetings [Article 4, section 9©], PNB Directors are automatically removed after three consecutive unexcused absences from PNB meetings [Article 5, section 7©], but make no provision for removing people from committees of either body based on their attendance. Only five members made the last meeting, only eight on this one. She has asked that people listed as members notify her if they wish to be removed from the list. Do we want to make rules on this issue, knowing

that it may result in frequent lack of quorum?

BET: Moves that the Audit Committee recommend that the PNB adopt the following policy regarding membership on the Audit Committee:

Any member of the Audit Committee who has three consecutive absences which are not excused by a majority of those present at the meetings shall be removed; and their position may be filled by the same process by which it was originally filled. Seconded.

DW: makes amendment that the policy take effect starting with this meeting. Seconded.

BR: Three consecutive absences, excused or unexcused, should be a reason for dismissal.

Discussion ensues as to when the PNB might take this up. BL feels it should not be retroactive, otherwise people would have no notice.

TA [just joined the call]: Must be very proactive in insisting the PNB approve this motion at its next meeting.

[TG announces he has joined the call]

VOTE on amendment that policy start with this meeting:

6 YES: MB, TA, BR, CW, JB, DW

3 NO: SR, BL, BET,

1 ABSTAIN: TG.

Amendment PASSES.

VOTE on BET's original motion:

YES: TG, MB, BL, TA, BR, CW, JB, DW, BET, SR

PASSES unanimously.

[9:00 PM EDT: SR, CW leave]

5. Report by PNB Directors on Audit Committee's Report at NY Meeting:

DW: The auditor, Ross Wisdom, did attend the NY meeting. They asked how he audited the amounts. He said they only reviewed the actual items from two station. He said his report was in compliance with AICPA. Her concern was that the report was not detailed enough, and there were not enough notes. She wants to move that we request the auditor to provide enough detail for us to be able to use the report.

BL: asks for a few examples

DW: Travel. We might want to know more than just that the invoices were there and were paid.

Consultants. How are they actually charged? How are they defined and classified?

Ben Garcia: The LSB Finance Committees should be looking at these numbers every month, before they ever get to an audit.

DW: If those LSB Finance Committees got the information they needed, would be a sort of semi-

audit. But they don't; and sometimes they may not fully understand the system.

TA: Many items – like hotels – are incurred on the national level and wouldn't be reflected anywhere on the local level.

At this point, it is 9:15 EDT, the time of adjournment.

BR: moves to extend for 10 minutes.

5 YES: MB, TA, BR, JB, DW

0 NO:

3 ABSTAIN: TG, BL, BET

PASSES.

BR: Moves to carry over DW's motion until next meeting. Seconded.

[BET leaves] PASSES without objection.

BR: Moves that we request details on the credit card account opened and closed by PNB. Wants printed copy of the monthly bank statements.

DW: There may be more than one credit card account.

Discussion as to whether this is in the purview of the Audit Committee, and how we can identify which is the account in question. We agree that BR should bring more info on this to the next meeting of the Committee. He will ask PNB Director Patty Heffley to get the information.

MB: Asks DW to resend all the documents she sent out earlier.

Meeting adjourned at approximately 9:35 EDT.