

Minutes
Audit & Compliance Committee
2 Martin Luther King, Jr. Drive, S. E.
Suite 1252 East Tower
Atlanta, GA 30334

March 22, 2011

Attending:

Committee Members

Warren Budd, Chairman
Bill Carruth
Mabel Jenkins
Earl Barrs, Board Chairman, ex-officio

Board Members

Dennis Billew
Gene Bishop
Joe Hatfield
Walter Hudson
Phyllis Johnson
Ray Lambert
Robert Leebern
Mark Smith
Loyce Turner
Jim Walters
Philip Watt
Philip Wilheit
Steven Woodruff

Visitors

Jim Scarbrough, Gwinnett Water
Ronny Just, Georgia Power
Doug Fulle, Oglethorpe Power
Aaron Mitchell, Georgia Power
Bryan Tolar, Georgia Agribusiness Council
Colleen Kiernan, Sierra Club
Bob Curry, North Carolina Wildlife Resources Commission
Mike Giles, Georgia Poultry Federation
Abit Massey, Georgia Poultry Federation
Daniel Groce, Georgia Agribusiness Council

Staff Members

Mark Williams
Allen Barnes
Todd Holbrook
Becky Kelley
Dan Forster
Marlin Gottschalk
Dave Crass
Emily Hitchcock
Kyle Pearson
Lauren Curry
Lisa Mehalko
John Bowers
John Biagi
Steve Friedman
Linda MacGregor
Jac Capp
Jim Usery
Doralyn Kirkland
Terry West
Connie Buck
Vonetta Pryor
Doug Haymans
Candy Henderson
Ced Dolder
Suzanne Burnes
Brad Konwick
Mary Ann Evans
Hellen Harris

The March 22, 2011 meeting of the Audit & Compliance Committee was called to order by Board Chairman Earl Barrs. Chairman Barrs welcomed newest Board Member Duncan Johnson from Augusta.

Chairman Barrs stated that he had appointed Bill Carruth to serve on the Audit & Compliance Committee to replace Bill Archer, whose term on the Board had expired.

Chairman Barrs called on Warren Budd, Chairman of the Audit & Compliance Committee. Mr. Budd stated that former Board Member Bill Archer had accomplished the majority of the work in developing the proposed guidelines for the Audit & Compliance Committee and called on Emily Hitchcock, Executive Counsel, to present the proposed guidelines.

Ms. Hitchcock stated that Mr. Archer worked with Mr. Budd, Lisa Mehalko, Chief of Internal Audits for the Department of Natural Resources (DNR), and herself in drafting the proposal for consideration. She further stated that the proposal is general in nature and provides broad guidelines under which the Committee would function.

Mrs. Hitchcock stated that she would like to request that the Committee adopt the Resolution to approve the Audit & Compliance Committee guidelines.

Discussion ensued with Ms. Hitchcock stating that the Audit & Compliance Committee would report directly to the Board and that the By-Laws provide that the Committee will report to the Board after each meeting. She further stated that the Committee must meet a minimum of two times per year. She added that the Committee will look at items such as the State Auditor's Report and the associated Corrective Action Plan.

Ms. Hitchcock stated that Ms. Mehalko is working on a risk assessment for the agency and will develop an audit work plan. She further stated that when that plan is approved by the Commissioner, it will be presented to the Audit & Compliance Committee for comments and suggestions. She added that Ms. Mehalko will function under that work plan and will report significant findings to the Committee.

Ms. Hitchcock stated that Ms. Mehalko reports directly to her and then through her to the Commissioner.

A motion was made by Mrs. Jenkins, seconded by Mr. Budd and carried unanimously that the Committee recommends that the Board adopt the Resolution to approve the proposed Audit & Compliance Committee Guidelines. (Resolution attached hereto and made a part hereof)

Ms. Hitchcock called on Ms. Mehalko for a briefing on the Report of the State Auditor related to DNR for the Fiscal Year Ending June 20, 2010. Ms. Mehalko stated that the Department of Audits report had been received on January 19, 2011, and that DNR was required to respond by February 9, 2011. She further stated that a copy of the State Auditor's report, as well as DNR's response, was given to all Board Members in their board packages.

Ms. Mehalko briefed the Committee on the significant findings from the State Auditor's Report and brought them up-to-date on how DNR is responding to those findings. (Copy of the State Auditor's Report and DNR's response attached hereto and made a part hereof)

Mr. Budd stated that the Audit & Compliance Committee would schedule a meeting in June to proceed according to the approved guidelines.

There being no further business, the meeting was adjourned.