

## Direct Inspection Task Group Report Policies: 2.4, 2.5, 2.6, 2.7

The Direct Inspection Task Group meeting took place on Thursday, December 8, 2011 at the Girl Scouts of Western Ohio's administrative office in Cincinnati and by conference call. The members of the task group are: Jody Wainscott, Task Group Chair; Catherine Ingram; Kerry Roe; Ann Hartmann; and Karen Huelsman. Roni Luckenbill, Chief Operating Officer; Susan Osborn, Chief Strategy Officer; and Linda Odenbeck, Finance Director, met with the task group.

Following a brief review of the charges, the Direct Inspection Task Group reviewed the following policies:

- 2.4: Financial Planning and Budgeting
- 2.5: Financial Conditions and Activities
- 2.6: Asset Protection
- 2.7: Ends Focus of Grants and Contracts

### **2.4: Financial Planning and Budgeting:**

The board had recently received the 2012 budget and planning documents. It is recommended by the task group that the board establish a new task group to review Policy 2.4.5, regarding the asset replacement fund and designation of reserves. This council is not in compliance with this policy and there may be a need to revise the policy to consider management of other funds, such as the pension fund.

### **2.5: Financial Conditions and Activities:**

We reviewed the process used to monitor investments. The task group felt that two meetings per year with the investment managers is sufficient and provides appropriate monitoring of the investment policy statement. In addition, the Chair of the Investment Task Group receives reports monthly on the status of the investments. The task group was reminded that, during the past several years, when the market was most volatile, the Investment Task Group held a special meeting with investment managers and provided regular updates to the board.

The whistleblower policy was discussed. There have been no reports since the last review.

The internal control questionnaires that are completed annually for the auditors were made available to the task group for review prior to the meeting. They cover many aspects of the policy requirements. Areas provided included payroll, cash receipts, and accounts payable.

Risk management concerning Girl Scout volunteer drivers was discussed. The task group was satisfied that we have sufficient controls in place to minimize risk.

**2.6: Asset Protection:**

The task group discussed how council properties are valued and the schedule of appraisals, which are on a five year cycle. Although we have not completed all appraisals, our insurance agent regularly visits properties and adjusts insurance coverage based on his review. Bids are received on insurance premiums on a regular basis. The property portfolio and fixed asset schedule were discussed and tied back to the capital budget.

Personnel policies were reviewed by the council attorney in 2011 and are reviewed every two years or as laws change. There were no concerns expressed.

It was noted that SAS70 documents are received from outside vendors including Paycor, Fifth Third Bank, and PNC.

**2.7: Ends Focus of Grants or Contracts:**

There were no concerns expressed regarding this policy.

**Summary:**

The Direct Inspection Task Group was confident that detailed documentation was provided and systems are in place for protection of our financial assets. It appears that the systems are standardized and are being followed and understand that the work is ongoing to ensure that policies and processes, as defined, are consistently being implemented across regions. Overall, the task group believes that the council is well managed and finances are under close internal controls. We were pleased with the processes and documents we reviewed and commend the staff on its management of our financial assets and systems.