



**Midwinter 2019
Finance & Audit Committee (F&A)
Monday, January 28, 2019
Seattle, WA**

Meeting Minutes

F&A Members: Susan Hildreth – Treasurer, Andrew Pace, Ed Garcia, Maria McCauley and Maggie Farrell – BARC Chair

Staff: Mark Leon, Ligia Barac, Joanne Lee and Keith Brown

Other: John Fedus and Tim Koehl – Mueller & Company, LLP

Proceedings

- The F&A Meeting was called to order at 8:00 am by Treasurer, Susan Hildreth
- Introductions were made
- Agenda was reviewed and accepted with no changes
- Mueller representatives reviewed and discussed with the committee the draft 2018 audit report (EBD #3.8), the draft 2018 Single Audit report (EBD #3.5), and the Auditor Required Communications (EBD #3.6) – Action Item
- Controller’s report was made available for review
- Committee met in closed session to discuss the auditor’s 2018 audit performance – Action Item

Auditor Meeting – Mueller, LLP

Mark Leon opened the discussion by laying the foundation for the work conducted by the auditors during the course of the audit. This included the scope of the work, the cooperation and collaboration with staff, discussion of pertinent and relevant issues raised and important upcoming pronouncements that will affect how the Association will be reporting its results. After the introduction, John Fedus and Tim Koehl led the committee through each of the following documents:

- FY 2018 Audit Report (EBD #3.8)
- FY 2018 Single Audit Report (EBD #3.5)
- Auditor Required Communication (EBD #3.6)

They indicated that it is the opinion of Mueller & Company, LLP, that the consolidated financial statements referred to (EBD #3.8 and EBD #3.5) previously present fairly, in all material respects, the financial position of American Library Association as of August 31, 2018 and 2017 and were prepared in accordance with accounting principles generally accepted in the United States of America. They noted that they encountered no significant difficulties in dealing with management in performing and completing the audit. As a result, Mueller & Company, LLP, issued an unqualified opinion on the audit of the ALA financial statements. This is the highest and best opinion that an organization can receive.

As the discussion closed, the following action was taken:

Motion moved by Andrew Pace and seconded by Ed Garcia:
F&A recommends to the ALA Executive Board acceptance of the FY 2018 audit reports (EBD #3.8, EBD #3.5 and EBD #3.6) as issued by Mueller & Company, LLP.

Controller's Report (EBD #4.8) – Information Only

Joanne Lee, Controller provided the committee with the Controller's report and was ready to address any concerns that the committee may have raised.

Closed Session (CBD #22.0)

F&A met in closed session to discuss the 2018 auditor evaluation prepared by staff of Mueller & Company, LLP. Staff prepared and scored a list of criteria for judging the performance of the firm. ALA's audit firm continues to serve us with a balanced approach: ensuring they maintain their independence; keeping us abreast of changes in the accounting and audit industry; and offering us practical, constructive suggestions for improving our practices and procedures. The result was a strong score rating by staff. As a result, the following action was taken:

Motion moved by Ed Garcia and seconded by Maria McCauley:
F&A concurs with staff and recommends to the Executive Board approval to begin negotiations for a three-year extension of auditing services with Muller & Company, LLP.

Note: There was also some discussion on the desire and or need to rotate the primary partner who presents the yearly results to F&A and the Executive Board. This is all contingent on the firm being hired to continue in its current capacity.

With no further action the meeting was adjourned.