

Rhode Island Housing

Minutes of the Audit Committee Meeting May 16, 2013

Board Attendees: Joseph Pratt (Committee Chair), Jim DeRentis, Paul Dimeo
Staff Attendees: Richard Godfrey, Kara Lachapelle, Robert Wickey, Nicole Turner
Outside Attendees: Steven Geremia and Molly O'Marra from LGC&D, LLP.

The Audit Committee of the Board of Commissioners convened at 9:15 a.m. to meet with LGC&D, the auditors for Rhode Island Housing to discuss expectations for the current year audit.

Steve began the meeting by discussing the scope of services they will provide and the financial statement audit focus areas. Steve also discussed the internal controls of the organization and the testing they will do related to those controls. Molly discussed the significant audit areas and the comparative effect new accounting standards will have on the financial statements for FY '14.

Mr. DeRentis asked if Rhode Island Housing does any testing for external fraud, especially in the IT area. Kara explained that we have undergone penetration testing in December of 2012 with favorable results. This is not an audit but is completed by an outside firm who does whatever they can to get around our security systems. Steve also added that LGC&D does test procedures and controls related to passwords and other IT functions. Mr. DeRentis also questioned whether we would be doing the penetration testing each year. Kara responded that we will research industry standards for frequency of testing and implement a policy accordingly..

Steve then had a brief discussion regarding PCI compliance related to credit card processing and transactions. It was noted that this does not really apply to us as we do not process any transactions directly with a credit card.

Mr. Pratt asked when the committee should meet again and it was decided to meet on or around the September board meeting.

There being no further business, the meeting was adjourned at 10:15 a.m.

Respectfully submitted:

Joseph Pratt
Audit Committee Chair