

COPY

August 19, 1985

**Interoffice
Communication**

VISTA

Mr. Fred Motts
Managing Director
AIHA
475 Wolf Ledges Parkway
Akron, Ohio 44311-1087

Dear Fred,

We've finally completed the Audit Committee elections for this year. Below are the newly elected members and the current members of the committee for 1985-86. Please have these listed in the next membership directory and, if appropriate, in the next published newsletter.

Thomas G. Grumbles	- Chairman 1984
Jim Ferguson	- 1984
Steve Herron	- 1984
Dave Bissonette	- 1984

William Freitas (newly elected) Delaware Valley Section
William J. Brinkman (newly elected) Mid-America
Stephan Smith (newly elected) Iowa-Illinois
Lawrence M. Gibbs (newly elected) - Connecticut Valley

Thirty-one of the local section presidents voted.

Also enclosed is a final copy of the audit committee report for 1984-85. The final expense numbers and election results were not available in Las Vegas. These have been added. This revised report is for the "official" record.

Sincerely,

Thomas G. Grumbles, CIH
Environmental Quality Manager

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Copies to:
Audit Committee
Alice Farrar
Howard Kusnetz

VVV 000016695

1984/85 AUDIT COMMITTEE REPORT

AIHC LAS VEGAS AND AMENDMENTS

INTRODUCTION

The Audit Committee believes that an effective working relationship with the Board has evolved over the past year. Our relationship is much more positive, characterized by little hostility and mutual respect for each other's opinion and responsibility. A major factor in this relationship is the attitude of the presiding AIHA President.

Mr. Gene Kortsha has always been extremely honest, open and cooperative, and he deserves our public expression of appreciation. We further believe, from our interaction with the Board, that they are dedicated to the best interests of the membership and are hopeful that this relationship will continue.

COMMITTEE ACTIVITIES

ELECTIONS

According to committee procedures there are normally three new members elected in the Spring. However, due to the resignation of this year's chairman from the committee, it is necessary to elect four new members to assure a full working committee. Nominations have been received and ballots sent to local section presidents. The ballots are to be returned by June 15 and the results of the election will be reported in the AIHA Newsletter.

COMMUNICATIONS

The Audit Committee met two times during the year and had at least one representative at every board meeting. Two members of the Audit Committee participated in the Blue Ribbon Committee formed by past president Powell.

FINANCES

To be added.

RECOMMENDATIONS

Last year the Audit Committee made three specific recommendations to the Board.

1. The Committee recommended that, to assure AIHA membership understanding of the process, the nominating committee procedures for selection of nominees for national office be published.

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2. In a related matter the committee recommended that no more than one active Board member be on the nominating committee. The Board has agreed in concept with this recommendation and will consider making this specific part of the written nominating committee procedures.
3. The Audit Committee had reached an impasse with the Board on the need for executive sessions and the Audit Committee's right to attend such sessions based on the Audit Committee function as described in the by-laws.

As President Kortsha has described, this issue was addressed by the Blue Ribbon Committee. We have reached resolution with the Board on this issue by way of an interim operating agreement and a proposed change in Article XII of the by-laws. Specifically related to executive sessions, that Agreement contains the following:

"The following issues are considered confidential and sensitive by the Board and therefor warrant executive sessions. The Audit Committee agrees not to attend those sessions.

- A. Staff personnel matters.
- B. Disciplinary matters (such as revocation of lab accreditation or memberships.
- C. Financial negotiations in progress.
- D. Matters of litigation and legal sensitivity.
- E. Other matters mutually agreed to be confidential by the Board and Audit Committee."

Suffice it to say this agreement was reached only after many long discussions regarding the function of the Audit Committee as it relates to Board activities and concerns for legal liabilities. It is our opinion that a positive result of this process has led to infrequent use of executive sessions and the committee feels this trend will continue.

For the present, the Audit Committee has no specific recommendation. However, we feel that there have been and will be significant activities which deserve mention.

A major event during the year was the resignation of the managing director, and recently the elimination of the assistant managing director's position and subsequent dismissal of John Conti. The Audit Committee has reviewed these events and currently has no information that would lead us to conclude that the circumstance surrounding these events are indicative of any mismanagement by the Board.

The Board is to be commended for it's expeditious filling of the managing director's position.

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The coming months will be very busy for the Board and the Akron office as many decisions regarding the Akron office organization, physical needs, including printing services, computer needs and

building repairs must be made. Also long range planning efforts will reach fruition and many by-law change proposals must be considered.

All of these matters affect the membership of the AIHA and the committee will be closely monitoring these activities as they evolve.

AMENDMENTS ADDED AUGUST 15

COMMITTEE ELECTIONS

Final election results were received on July 30. The new Audit Committee members for 1985-86 are William Freitas--Delaware Valley Section; William J. Brinkman--Mid-America Section; Stephan Smith--Iowa-Illinois Section; and Lawrence Gibbs--Connecticut Valley Section.

COMMITTEE EXPENSES

Total Audit Committee Expenses for the year, excluding Las Vegas AIHC costs, were \$2,434.46.

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