

MINUTES OF THE AUGUST 2, 2011, AUDIT AND REVIEW COMMITTEE MEETING

On August 2, 2011, the Regents' Audit and Review Committee ("the Committee") met in the Regents' Room of the Smithsonian Castle. Participating were Committee Chair John McCarter* and Committee members Sam Johnson* and Robert Kogod*; Committee member Shirley Ann Jackson was unable to participate. Also participating was Committee Advisor Herb Schulken. Participating staff included Chief of Staff to the Secretary Patricia Bartlett; Assistant Inspector General Dan Devine; Chief of Staff to the Regents John K. Lapiana; General Counsel Judith Leonard; Under Secretary for Finance and Administration Alison McNally; Director of Government Relations Nell Payne; Inspector General (IG) Sprightley Ryan; Deputy General Counsel Marsha Shaines; and Comptroller Andrew Zino. Minutes were taken by Deputy Comptroller Stephen G. Wills.

Chairman John McCarter called the meeting to order at 2:00 p.m.

Approval of Minutes

A motion was made and seconded and the minutes of the April 8, 2011, Committee meeting were approved.

Agenda Addition

Chair McCarter introduced a new agenda topic: a recent *Washington Post* article on the Office of the Inspector General's (OIG) draft report on Smithsonian Enterprises' profit-sharing with the museums. Ms. Ryan deferred to Mr. Devine for this discussion, as well as for any further information that the OIG may have on the issue. A short discussion ensued and Mr. Devine stated the OIG was unaware of how the *Washington Post* obtained the draft report.

Review of IRS Form 990 for Fiscal Year 2010

The Chair introduced Comptroller Andrew Zino. The Comptroller explained that the preparation of the IRS Form 990 for fiscal year 2010 required a pan institutional effort. He outlined the Institution's 990 review process, which included meetings with individual members of the Committee and with Committee Advisor Herb Schulken, and then led the Committee through a thorough review of the return itself. The Comptroller and the Deputy General Counsel responded to questions from Committee members and the Inspector General about the return and the disclosures being made. After further discussion, the Committee affirmed the submission of the Form 990 to the entire Board of Regents for their consideration, and the filing of the Form 990 to the Internal Revenue Service by the August 15, 2011, filing deadline.

The Chair thanked everyone involved in the Form 990 preparation for their hard work. The meeting was adjourned at 2:45 p.m.

Respectfully submitted,
John McCarter, Chair

**participated by teleconference*