

April 2025

Trustees' Report: Audit Committee

Kevin Prior, Audit Committee Chair

The trustees' Audit Committee, formed by the General Service Board in 2003, is composed of a minimum of three and a maximum of five trustees who are appointed by the chair of the General Service Board.

The committee was created to assist the General Service Board in fulfilling its fiduciary obligation of prudent corporate governance. Under New York State Nonprofit Law, the committee has specific responsibilities that are set forth under the law, some of which are stated in this report.

The committee meets at least twice a year (usually more often) with the outside independent auditors and G.S.O. and Grapevine management; separately with the auditor; and in executive session without the auditor. Typically, the committee meets in January to plan the financial statement audit, in April to review the financial statement audit report, and in October to review the audit reports for the retirement plans. Over the past year, the committee met:

- June 14, 2024 to plan the first audit of the defined contribution retirement plan
- October 7, 2024 to review the 2023 retirement plan audit reports
- January 17, 2025 to plan the 2024 financial statement audit
- April 22, 2025 to review the 2024 financial statement audit report.

The Audit Committee reports to the General Service Board and reviews such items as:

- audit reports for the financial statement, defined benefit plan, and defined contribution audits
- audit process
- audit results
- internal controls
- best accounting practices
- management integrity.

The Audit Committee also recommends appointment of the auditors to the General Service Board and the corporate Boards. In 2023, the Audit Committee conducted a process to request and evaluate proposals from public accounting firms for the next five years of financial statement and pension audits. This proposal resulted in the selection of BDO USA as the auditor for the audit of the financial statements for 2023 through 2027.