

Minutes
Meeting of the Audit Committee
Louisiana Insurance Guaranty Association

February 2, 2018

The meeting of the Audit Committee was held on February 2, 2018, at 10:00 a.m., at the Louisiana Insurance Guaranty Association, located at 2142 Quail Run, Baton Rouge, Louisiana 70808. The meeting was publicly noticed in accordance with the Open Meetings Law.

Members present constituting a quorum:

Bill Gourgues (Committee Chairperson)
John Hawie
Thomas L. McCormick

State Farm Insurance Companies
Louisiana Workers Compensation Corporation
LAMMICO

Others Present:

John Wells
David Moore
Blair Caruso
Lacey Anderson

Executive Director, LIGA
Director, Postlethwaite & Netterville
Audit Manager, Postlethwaite & Netterville
Administrative Assistant, LIGA

Call to Order by the Chairperson of LIGA Audit Committee

The meeting was called to order by Chairperson Gourgues at 10:00 a.m.

Quorum

Mr. Gourgues then confirmed there was a quorum present.

Approval of November 30, 2017 Audit Committee Minutes

A motion was made by Mr. McCormick and seconded by Mr. Hawie to approve the November 30, 2017 Audit Committee Minutes as written. Objections were called for. There being none, a vote was taken, and the motion carried.

Discuss 2017 Annual Financial Audit

Mr. Wells stated when the committee met previously on November 30th, they decided to meet prior to the audit to discuss the audit plan with Postlethwaite & Netterville and raise any concerns prior to the field work. He turned the meeting over to David Moore and Blair Caruso, with Postlethwaite & Netterville.

Mr. Moore submitted two handouts to the committee regarding the audit plan. He stated he had served as the audit partner for LIGA for many years. He stated this would be Blair Caruso's second year as the Audit Manager for the LIGA audit. He then explained how the audit process for LIGA worked.

Mr. Moore and the committee discussed different areas of his audit plan. He then asked if anyone had any questions. Hearing none, he stated he would like to get the committee's feedback. He added one of the best practices when you have auditor's discussions with audit committees, is to have a special outside meeting off from management so that if they wanted to discuss anything pertaining to the management they could do so. Mr. McCormick agreed that it would be a good practice for them to go into Executive Session.

Executive Session
10:31 a.m. to 10:41 a.m.

Mr. Moore questioned if LIGA had an employee code of conduct and if the employees sign an acknowledgement each year. Mr. Wells stated new employees do receive an Employee Handbook when they are first hired on and sign the acknowledgement at that time but currently they did not require their employees to re-sign it each year. Mr. McCormick stated the committee recommended that he needed to get his current and new employees to acknowledge and sign for the Employee Handbook each year.

Mr. McCormick also suggested to review the process of how LIGA edits bank information for the ACH process and stated it was their recommendation to initiate dual authentication on those things. Mr. Wells stated he would be happy to look at that process with the bank to inquire about dual authentication. He added the process at the bank is somewhat cumbersome and LIGA only uses ACH for certain Worker's Comp indemnity payments. These payments were routine and critical that they are processed timely. He stated he would inquire about getting the other signatory, Mr. Coryell, set up at the bank as an additional authenticator. He added that the new claims would remedy some of the extra steps in the verification and issuance process.

Old Business

Nothing to report.

New Business

The committee discussed scheduling their next meeting when the audit would be presented. The committee decided to set the meeting for March 29th as long as there were no issues presented by the audit findings.

Adjournment

A motion was made by Mr. Hawie and seconded by Mr. McCormick to adjourn the meeting. Objections were called for. There being none, a vote was taken, and the motion carried.

The meeting was adjourned at 10:47 a.m.



Bill Gourgues, Committee Chairperson

These Minutes were written by Lacey Anderson, Administrative Assistant, LIGA, from a recording on the FTS Reporter and notes taken during the committee meeting.