

Audit Committee

Denise M. Farkas, CFA, Chairman
Senior Vice President,
Spero Smith Investment Advisers
representing investments

Thomas H. Bainbridge, Jr.
Partner,
Ward, Kaps, Bainbridge,
Maurer & Melvin
representing injured workers

Mary Beth Carroll
Vice President,
FirstEnergy
representing self-insured employers

Agenda

April 27, 2006

William Green Building, Level 2, Room 2

2:00 p.m.

Chairman comments Denise Farkas

Approval of previous meeting minutes Denise Farkas

Old Business

KPMG audit conference Denise Farkas

MRT update Cathy Moseley

New Business

Disaster recovery update Leo Genders

Wilshire update Mark Brubaker

Adjourn Denise Farkas

The next WCOC Audit Committee meeting is scheduled for:
May 25, 2006
William Green Building, Level 2, Room 2
9:00 A.M.

**WORKERS' COMPENSATION OVERSIGHT COMMISSION
AUDIT COMMITTEE**

**THURSDAY, MARCH 30, 2006, 8:00 A.M.
WILLIAM GREEN BUILDING
THE NEIL SCHULTZ CONFERENCE CENTER
30 WEST SPRING ST., 2nd FLOOR (MEZZANINE)
COLUMBUS, OHIO 43215**

Members Present: Denise Farkas, Chairman
Thomas Bainbridge, Jr.
Mary Beth Carroll

Members Absent: None

ROLL CALL

Ms. Farkas called the meeting to order. All members of the committee were present.

CHAIRMAN COMMENTS

Ms. Farkas reviewed the agenda.

OLD BUSINESS: KPMG AUDIT

Ms. Farkas noted that KPMG was not present at this meeting. Robert Hinkle, Chief Deputy Auditor, Ohio Auditor of State, reported on the status of the KPMG audit for fiscal year 2005. BWC staff and the Audit Committee will meet with KPMG on April 4.

NEW BUSINESS: REQUEST FOR PROPOSAL (RFP) PROCESS FOR INDEPENDENT AUDITOR

Jim Kennedy, Deputy Auditor of State, reported on the process for issuing the Request for Proposal (RFP) for selection of the external auditor for the next five-year contract period.

AUDIT CONFERENCE

A motion was made, seconded, and unanimously approved that the Audit Committee enter executive session for an audit conference with the Auditor of State and BWC management under Ohio Revised Code §121.22(D)(2).

MINUTES OF JANUARY 19, 2006

The Audit Committee adjourned from executive session.

Mr. Bainbridge moved that the minutes of the meeting of January 19, 2006, be approved. Ms. Carroll seconded and the minutes were approved by unanimous voice vote.

NEW BUSINESS: PROPOSAL UPDATE

Mark Brubaker, Wilshire Consulting, reported on the special project proposal to evaluate former investment managers. Wilshire will review performance records of these managers in order that a determination can be made by the Audit Committee whether to recommend referral to the Attorney General's Office for potential civil recoveries against any managers.

NEW BUSINESS: INTERNAL AUDIT DEPARTMENT PRESENTATION

Cathy Moseley, Chief of Staff, reported on the new organization and strategic initiatives of the Internal Audit Division. Also present and reporting were the department directors, Nancy Barber, Fred Booker, and Keith Elliott.

NEW BUSINESS: ACTUARIAL COMMITTEE

William Sopko, Oversight Commission Chairman, and members of the Audit Committee discussed formation of an Actuarial Committee. Mr. Sopko requested that Ms. Moseley draft a straw man document on the formation of an Actuarial Committee.

ADJOURNMENT

There was a motion and second for adjournment and the meeting was adjourned.

Prepared by: Larry Rhodebeck, BWC Attorney
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April 17, 2006