

Audit Committee Report 2015/16

The 2015/16 audit committee comprised the following:

Gihan Dias (Chairman)

John Levine

Walid Al-Saqaf

Narelle Clark

Four meetings of the committee were held as follows:

26 Aug 2015 (informal)

17 Sep 2015 (during board retreat)

29 Sep 2015

10 May 2016

In addition, the auditcomm held several e-mail discussions.

1. IRS Form 990

The committee reviewed Isoc's 2014 IRS form 990 with Bill Turco, Director, Not for Profit Tax Services at McGladrey. The committee reviewed and accepted the return.

2. Audit and Tax Service

On the recommendation of the management, the committee approved the engagement of McGladrey LLP for 2015 audit and tax services. [McGladrey later changed their name to RSM.]

3. Financial Report 2015

The committee reviewed the 2015 financial report and the auditor's report thereon. The auditor provided an unqualified opinion on the financial report. The committee did not have any issues with the reports.

In the executive session discussion with Ms. Janette Burke of RSM (formerly McGladrey) she gave a very positive view of the staff and its professional capabilities.

The audit committee accepted the 2015 financial report.

4. Publication of Trustee Conflict of Interest Statements

At the request of the Governance Committee, the committee discussed the publication of Trustees Conflict of Interest disclosure statements. Greg, after discussion with Celia Rody, governance and tax counsel, provided some guidance on such publication. The committee decided to recommend that Trustee CoI's not be made public, and that the present practice should continue.

5. Corporate Risk Assessment

The committee discussed developing a corporate risk assessment in one or more areas. As there was insufficient time to do so this year, Greg undertook to discuss with the ISOC Executive Team and report back to the Audit Committee.

6. 2016 Conflict of Interest Statements

The committee reviewed the 2016 CoI statements submitted by trustees and did not identify any critical new conflicts of interest.

On behalf of the audit committee

Gihan Dias

Chairman