



Metropolitan Council Meeting
Spring 2010
Committees Reports



**Meeting of the Lesser Synod and Metropolitan Council
March 1 to March 4, 2010
Committee Reports
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Disbursements

The Charity Committee authorized one \$1,000 disbursement for emergency auto repairs for a clergyman at the OCA Chancellor's request. According to correspondence from Fr. Alexander Garklavs to Charity Committee chair Fr. John Reeves, the following disbursements were made by administration without informing or receiving approval from the Charity Committee:

1. widowed clergy wife	\$ 132.69
2. St. Vladimir's Seminary	3000.00
(Allocation Correction)	(3000.00)
3. Wire to Russia per Metropolitan JONAH	666.00
4. Orthodox Christian Fellowship	5000.00
5. Orthodox Christian Fellowship	2450.00
TOTAL	\$8,248.69

According to this same correspondence, please note the following:

- Regarding item one, this represents reimbursement to widowed clergy wife for expenses she incurred writing cards to clergy widows.
- Regarding item two, this was an erroneous allocation entry that has since been corrected.
- Regarding item three, this was allocated from Charity at the request of the Metropolitan due, in turn, to a request from an unknown (to the Committee) bishop in Russia.
- Items four and five were allocated from Charity at the request of the Metropolitan and with the concurrence of Fr. Michael Tassos, then the OCA Treasurer.

Primary Concerns

As of the writing of this report, the Charity Committee does not know the dates on which any of these requests were made, nor the dates on which the allocations were made. **The Committee and its chair were not consulted or informed of any of the five actions above.** In Fr. Garklav's letter to Fr. Reeves, it is stated that none of these actions were undertaken unilaterally, that there was consultation between the Metropolitan, the Treasurer and the Chancellor, at least in varying degrees, on each one. While the Charity Committee is appreciative that there was consultation regarding charitable disbursements, these actions are nonetheless directly opposed to the very clear guidelines in the OCA Metropolitan Council Handbook. The collegiality in decision making is to reside in the Charity Committee and not in the Chancery.

The Charity Committee's submits that this behavior:

- Disregards the wall of protection established by the Metropolitan Council between the Central Administration and these funds.
- Entirely nullifies the disbursement process established by the Metropolitan Council.
- Places the decisions made outside the oversight of those with relevant 501(c)3 experience, (a committee requirement).
- Subjects the Church to civil penalty by possible use of funds in a manner not consistent with law in regard to 501(c)3 organizations.
- Makes impossible a "clean" report by the Charity Committee to the Metropolitan Council.
- Endangers the entire Church by returning to disbursement processes which improve very little on the Kondratick years.

Propriety of Disbursements

We take note that, according to the Handbook of the Metropolitan Council, the Charity Committee is to make

"grants to eligible applicants from designated and budgeted appeals funds. In doing so, the Committee proposes guidelines for grant-making to the Metropolitan Council for approval. In general, consideration is given to benefiting local OCA charities, to helping individuals in need, to providing assistance across jurisdictional and geographic lines and to providing emergency relief. The Committee solicits applications for grants, ensures the applicant(s) meet the approved criteria and determines which grants are made (either in part or in full). Grantees are expected to provide the Committee with an end-of-grant report detailing how the funds were used and with what success." (2009)

The Charity Committee understands "eligible applicants" to be persons in critical need of food, clothing or shelter. Thus, the Committee finds it truly disturbing to see that over 80% of the total of these allocations went to OCF. OCF is without doubt a worthy and laudable ministry; OCF is not a charity, an individual in need, and not likely in need of "emergency relief." Moreover, the Committee recalls that it was the decision of the Metropolitan Council at the fall, 2009 meeting NOT to fund ministries due to the current budget restraints, and so finds the OCF disbursements highly problematic for this reason as well.

On these grounds:

-The Charity Committee requests that this issue be investigated by the Ethics Committee of the Metropolitan Council as a possible breach of ethical standards implicit in the Best

Practices document, signed by all members of the Metropolitan Council, members of the Administration and members of the Holy Synod of Bishops.

-The Committee further requests that these improperly allocated funds be restored to the Charity Fund by action of the Metropolitan Council.

Additionally, the \$666.00 disbursement to an unnamed bishop in Russia for an undisclosed reason without an end-of-grant report is highly problematic according to the terms of the Handbook.

-The Committee requests a report regarding the nature of the “emergency” addressed and assurance of appropriate use of allocated Charity funds.

-The Committee also requests that if it is not absolutely clear that this was an appropriate disbursement, the matter then be taken up by the Ethics Committee to investigate as a possible further breach of ethical standards.

Conclusion

Finally, we remind the Chancery, the Holy Synod and the Metropolitan Council that the Charity Committee was established in 2006 as a safeguard against the rampant misapplication of charitable funds from the OCA’s various charitable and humanitarian appeals. The Committee further exists to provide objective standards and professional oversight. We once more state that we find the practices detailed above to be highly objectionable. We are gravely concerned that the current administration is in danger of returning to “business as usual.” We remind all concerned that it is precisely this kind of fiscal behavior on the part of a prior administration that has cost the national Church not only untold millions of dollars, but the trust and confidence of the faithful as well.

Additionally, we note with regret that Andrea Diamantis has resigned as consultant to the committee.

Fr. John Reeves, Chairman
Dr. Dimitri Solodow
Pdn. Michael Myers

Fr. Maximus Urbanowicz, Consultant
The Rt. Rev. Bp. BENJAMIN, Synodal Liaison
Fr. Alexander Garklavs, Administration Liaison

**OCA METROPOLITAN COUNCIL
COUNCIL DEVELOPMENT COMMITTEE REPORT – SPRING 2010**

As agreed at last September's MC meeting, the Council Development Committee has focused since that time on developing a better understanding of the various skills that members bring to the MC as well as of the members' perception of the effectiveness of the Council, especially how we work together. Forms were sent out to the MC in mid-January and responses were received from ~40% of the applicable membership. The detailed results are provided in the two attached pages, with color coding as follows: Green = "strengths", Yellow = "caution", Red = "weakness".

EXPERTISE/ SKILLS - The primary users of this matrix as it stands (with more members' submissions added to it) will be the Committee Chairs in nomination of members. Based on the 14 matrices received, it appears that the MC skills mix is in fairly good shape. The green strength areas look quite good. There are two red "holes" but hopefully these might be filled in by the members who haven't yet responded. The one of particular concern, if it were to remain where it is, is "investment management". The yellow caution areas bear watching and may necessitate nomination of outside advisors to help the concerned MC committees.

ASSESSMENT - The form listed positive statements about the MC's effectiveness as a group and asked the members whether they agreed with these statements. The average response for each of the 28 statements ranged from a low of 1.9 (disagree) to a high of 3.8 (almost agree). The overall average for all statements was 2.9 (neutral).

- Areas of agreement (green = "strengths") -- mutual respect and love among MC members; understanding of Christian service; taking of initiative to seek responsibility.
- Areas of disagreement (red = "weaknesses") -- lack of MC vision statement and MC plan with goals and objectives for the near term; lack of opportunities for self-improvement as a group and to better know and understand each other.
- Concerns (yellow = "cautions") -- issues with atmosphere of mutual support/ trust/ love among Metropolitan/ Holy Synod/ MC/ Administration; knowledge of what others expect of the MC; MC's understanding of own responsibilities.

NEXT STEPS – We propose that the MC openly discuss these findings during the Spring 2010 meeting and brainstorm ways to address the weaknesses and cautions.

FURTHER COMMITTEE PLANS – Follow-up on MC's ideas for further work on the above; investigate effectiveness of MC Forum and suggest appropriate improvements.

Respectfully submitted by the Council Development Committee,
*Protodeacon Peter Danilchick, Chair; Matushka Anna Andrew;
Archpriest Andrew Moulton; Dr Faith Skordinski; Archpriest Eric Tosi*

Attachments (2): Expertise/ Skills Matrix; Assessment Summary

2010 MC ASSESSMENT SUMMARY (as of Feb 9, 2010)

CODE: 1= strongly disagree, 2= disagree; 3= neutral
4= agree; 5= strongly agree

1	2	3	4	5	Avg	Total #	
1	2	2	6	1	3.3	12	The MC has a mission statement that is understood by all members
6	1	3	1		1.9	11	The MC has a vision statement that is understood by all members
6	2	3	1		1.9	12	The MC has a plan that specifies goals and objectives for the next three to five years
	6	4	2		2.7	12	An atmosphere of mutual love/trust/support exists among Metropolitan, Holy Synod, MC, and Admin
1	6	2	2	1	2.7	12	MC members understand and support how the Metropolitan and Chancery Admin are functioning
2	2	4	3	1	2.9	12	Roles-and-responsibilities statements are available for MC members
2	4	3	3		2.6	12	MC members clearly understand their responsibilities
	2	6	4		3.2	12	MC members feel accountable for their individual responsibilities and follow through accordingly
	7	1	3		2.6	11	MC knows what OCA, Metropolitan, Holy Synod, Admin expects of them
	1	4	7		3.5	12	MC members take initiative to seek responsibility
1	3	4	3	1	3.0	12	MC members communicate their plans and progress to the OCA and seek feedback.
1	4	3	4		2.8	12	MC members understand the history of the OCA
2	3	3	4		2.8	12	MC members understand the current needs of the OCA.
2	4	2	3	1	2.8	12	MC members understand the future needs of the OCA
	2	3	4	1	3.4	10	MC members are energized and optimistic about the future.
1	4	2	5		2.9	12	MC members think beyond the moment.
	1	6	4	1	3.4	12	MC members take initiative to make things better.
3	5	4			2.1	12	MC has sufficient opportunities for self-improvement as a group
1	9	2			2.1	12	MC has sufficient opportunities to know/ understand one another
	4	7	1		2.8	12	MC members resolve disagreements among themselves effectively
	2	7	2		3.0	11	Problems and differences of opinion among MC members are addressed face-to-face
2	1	2	5		3.0	10	When addressing problems, MC members focus on the situation, issue, or behavior, not the messenger
3	4	5			3.2	12	Individual MC members' efforts are not criticized.
2	5	5			3.3	12	Individual MC members' efforts are rewarded with thanks.
2	4	6			3.3	12	MC members lead by example
3	1	7	1		3.5	12	MC members respect each other
	4	7	1		3.8	12	MC members understand meaning of Christian service
1	5	5	1		3.5	12	MC members love one another as brothers and sisters in Christ

Average **2.9**

**METROPOLITAN COUNCIL (MC)
EXPERTISE-AND-SKILLS MATRIX**

Name																				
Accounting						X														
Auditing						X			X											
Art/Music	X	X		X									X							
Banking									X											
Business Administration					X	X		X	X	X										
Charity 501(c)3						X			X		X		X			X				
Communications/Media					X	X			X			X	X							
Education		X			X	X	X					X	X	X						
Engineering			X			X		X		X										
Human Resource Development		X	X							X	X			X						
Human Resource Management						X														
Fundraising				X																
General Management	X	X	X	X		X	X		X	X	X	X		X						
Household Management						X														
Information Technology						X					X	X								
International Affairs	X					X			X	X	X									
Investments Management																				
Journalist/Writer	X				X								X							
Law *	X																			
Library Science		X																		
Marketing						X		X				X								
Medical Services	X					X														
Physical Plant Management																				
Public Relations				X		X														
Real Estate						X						X								
Security and Protective Services	X																			
Social Sciences																		X		
Strategic Planning		X	X	X		X		X	X	X										
Age	C	C	C	C	C	B	B	C	C	D	D	C	C							
Other		1			2		3						4							

Color Legend: Green: 2+; Yellow: 1; Red: 0

Age Legend: A= 25-34; B= 35-50; C= 51-65; D= Over 65

Other: 1 = Editing, 2= Diocesan Secretary, 3= Licensed Professional Engineer/ Funeral Director

4= Graphic Design

Note: * Two other MC members (not included above) have law skills

CRISIS MANAGEMENT PLAN /CRISIS MANAGEMENT TEAM DEVELOPMENT

Orthodox Church in America

Presented by Bernard J. Wilson, CHS-V

February 19, 2010

The Crisis Management Report was presented by Dr. Dimitri Solodow during an confidential Session.

REPORT OF THE ETHICS COMMITTEE

V. Rev. Theodore Bobosh, Chair

In the Fall and Winter of 2009, 3 allegations of possible ethics violations were given to the Chair of the Committee.

The Committee itself was undergoing change with new members from the Metropolitan Council joining the Committee, with the death of Archbishop Job the Committee's episcopal moderator, and with the fact that the allegations involve both the Metropolitan and the Chancellor so it seemed a conflict of interest to keep them in the loop about the discussion the Committee has on the allegations.

There are several issues which need clarification and direction:

- 1) What does or does not constitute an ethics violation – is any/every procedural/policy violation in fact an ethics violation?;
- 2) What about allegations against hierarchs;
- 3) What specific actions can the committee take if a violation has been determined so that consequences aren't deemed capricious but in fact follow policy – in other words we need clear policy to govern the Committee.

Though an effort has been made to communicate via the Internet, the Committee will only hold its first meeting on March 1, 2010 in conjunction with the Metropolitan Council's spring session.

The Committee's mandate includes determining whether in fact all those involved with central administration – whether bishops, staff or metropolitan council members – are following the high ethical standards set by the OCA and which all through signed statements have promised to adhere to and enforce.

Preliminary Report of the Human Resources Committee of the Metropolitan Council / March 2010

Committee Members: Fr. David Garretson, Rosalie Luster, Elena Silk, Karen Simons & Fr. Eric Tosi

The committee met via telephone conference the evening of February 2, 2010. After prayer and introductions the committee reviewed the motion of the Metropolitan Council creating this committee:

L.3.1. MOTION – REEVES/SKORDINSKI: The Metropolitan Council endorses the concept of establishing a Human Resources Committee for the Central Administration of the Orthodox Church in America. It hereby requests the Metropolitan to appoint a task force comprised in equal numbers of clergy and lay members of the Metropolitan Council, with parity of males and females amongst the laity, to determine the scope and competency of such: to report back its findings and recommendations at the spring session of the Metropolitan Council for possible implementation.
CARRIED

The follow areas were review by the committee:

- At will religious employees vis-à-vis memorialized practices
- Inventory of letters of employment if any
- Role(s) of who hires, fires, supervises
- Employee development and review
- Overlap with other committees, Best Practices, Legal, etc.
- Review of existing documents and HR policies and procedures.

The committee determined that certain language in the existing document, *Human Resources Policies and Procedures v0.04*, do not apply to a religious organization such as the Orthodox Church in America (OCA). In view of the fact that the OCA is involved in ongoing litigation, these issues should be reviewed before the entire council at their meeting next month.

Orthodox Church in America

Audit Committee of the Metropolitan Council

Deacon Martin D. Watt, CPA, Chair
Karen L. Simons-Durkish, CPA, Member
Michael S. Strelka, CPA, CVA, Member
Vera Bozko-Summer, Alternate

c/o 1538 Gunther Drive
Bellbrook, Ohio 45305

February 1, 2010

The Holy Synod of Bishops and Metropolitan Council
Orthodox Church in America
P.O. Box 675
Syosset, New York 11791

Your Beatitude, Your Eminences, Your Graces, Brothers and Sisters in Christ:

Most Blessed Master Bless!

Thank you for the opportunity to provide a brief update as to our progress as a committee in our examination of the books, records and processes of the OCA and the affiliated Stavropegial institutions.

The questionnaire discussed in the prior report has been developed and is currently being sent to the various institutions for completion. A review of this document will allow the committee to design an audit testing program to validate the information in the questionnaire and to provide feedback, suggestions, and comments to the individual organizations. A sample of that questionnaire is attached for your perusal.

We anticipate receiving the completed questionnaires in prior to Pascha, and to have them reviewed and an audit testing plan developed by Pentecost. This timetable will allow us to schedule visits to institutions for completion of the testing plan prior to the fall session of the Holy Synod and Metropolitan Council.

We anticipate having two auditors at the larger institutions, such as the Chancery, St. Vladimir's Seminary, and St. Tikhon's Seminary and Monastery, while the other institutions will have one auditor to hold down travel costs. Our plan is to combine as many trips as possible, for example, to take three days and visit the monasteries in New York in one trip rather than three. Tentatively, we expect the visit to St. Vladimir's to be combined with the Chancery, the St. Tikhon's Seminary and Monastery to be one trip, and the visits to New Skete and Holy Myrrhbearer's as one trip. This leaves the

Protection of the Holy Theotokos as a separate trip, which will likely be handled by our alternate member who resides in South Carolina, and the representation church of St. Catherine's in Moscow which likely will not be visited this year. The committee does believe a visit to St. Catherine's will be necessary, but we hope to limit our visit to once in a three-year cycle. Our initial plan is to have two auditors travel to St. Catherine's for three days in the late spring of 2011, in time to have a full audit report for the 2011 All-American Council that fall.

The Committee's goal is to have initial audit reports available for the fall session of the Holy Synod and Metropolitan Council. Each entity will be given the opportunity to add their feedback and comments to the report prior to our submission to the Holy Synod and Metropolitan Council.

In addition to our own audit work, we are communicating with our outside auditors at Lambrides to determine appropriate follow-up we may be able to undertake as a committee to help lower the audit fees charged to the OCA, as well as providing the Committee with insight as to the current state of the system of internal controls.

Thank you again for the opportunity to update the activities of the Audit Committee.

For the Audit Committee, Asking Your Archpastoral Blessings, I remain

Yours in Christ,

A handwritten signature in blue ink that reads "Martin D. Watt". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Deacon Martin D. Watt, CPA
Chairman

cc (via electronic distribution): V. Rev. Alexander Garklavs, Chancellor
V. Rev. Eric George Tosi, Secretary
Melanie Ringa, Treasurer

Audit Questionnaire
Orthodox Church in America – Audit Committee

With the Archpastoral blessing of His Beatitude, Metropolitan JONAH

The OCA Audit Committee, as the result of an amendment to the OCA Statute at the 15th All-American Council, is tasked with reviewing and reporting on the reliability of financial information of the Chancery and all Stavropegial institutions provided to His Beatitude, the Holy Synod, and others within the Orthodox Church in America.

This questionnaire will assist the Committee in evaluating the existence and strength of controls over finances, and will enable us to recommend to you ideas for strengthening the financial controls, resulting in increased confidence in the organization. Your timely and full response is deeply appreciated.

When the questionnaire is complete, please forward the document and all related documents, copies, etc., to:

Dn. Marty Watt, Chair
OCA Audit Committee
1538 Gunther Drive
Bellbrook, Ohio 45305

Documents and the questionnaire may be scanned and emailed to: frdnmarty@gmail.com Please scan at relatively low resolution (300 dpi is preferred), to keep the file size to a minimum. Electronic response is preferred, if possible. Feel free to reference and direct us to on-line documents where appropriate. We would like to encourage as much information as practical be published on the Internet.

Your response is requested by **March 15, 2010**. You will be given the opportunity to preview and respond to any reports specific to your organization prior to our report to the Holy Synod and the Metropolitan Council. The committee hopes to schedule on-site visits to examine the books and records sometime over the summer months, and prepare reports for the fall session of the Holy Synod and Metropolitan Council.

for the Committee, in Christ,
Dn. Marty Watt, Chair

Organization Name: _____

Questionnaire prepared by: _____

Date prepared: _____

Do you utilize cash basis or accrual basis accounting? *Cash basis records transactions related only to cash, while accrual basis records transactions when they occur, even if the payment or receipt is consummated later.*

GOVERNANCE

Please provide a copy of the charter, bylaws, organizational documents, and any other document describing the governance of the organization.

Please provide any minutes or records from all governance sessions for the past two years.

Please provide copies of any insurance policies you hold – life, personal liability, property, theft/loss, etc.

CASH/SALES

Store sales

Is a receipt issued for each sale?

Is the cash register reconciled? By whom? How is this documented?

How are credit card or paypal transactions recorded?

Is Cash reconciled to the bank statement each statement date? Who performs these reconciliations? Please provide copies of bank statements and the related reconciliations

Are sales reconciled with shipping documents (i.e., the number of sales for a day/week/month should be similar to the number of shipping documents/receipts for the same period)?

Do you record an allowance for returned merchandise? How is the allowance for returns established?

Is an inventory of stock for resale maintained? Is this periodically validated through an independent count and pricing?

CONTRIBUTIONS

Contributions and Restrictions, Designations, Bequests

Who opens mail? Records contributions?

Is cash from contributions segregated from cash from sales?

Who counts the receipts?

Who prepares the deposit slips?

Does the individual with responsibilities to handle cash also have access to the accounting records?

How are restricted donations (or directed giving) acknowledged, recorded and identified?

OPERATING EXPENSES

Do you have a budget?

Who approves?

Does the approving authority have access to record or modify transactions, issue checks, etc.?

Are purchase orders used?

Do budgets influence how transactions are recorded? i.e., if budgeted travel funds are exhausted, are the expenditures for airfare recorded as travel or some other type of expense?

Are departments utilized, or does the organization prepare a budget for the entire organization only?

If departments are used, do these departments prepare their own budget requests? Are they periodically advised of their performance against budget?

PURCHASES FOR RESALE

Bookstore, Inventory Control

Is the person who receives goods able to approve or pay invoices?

How is an accurate inventory maintained?

Are inventory goods utilized for purposes other than resale (i.e., in the operation of the organization)?

Does the organization possess the appropriate tax exemption and resale certificates?
Please provide a photocopy.

MAJOR PURCHASES

Property, Fixed Assets, Construction, Vehicles, Long-lived assets

Who approves? How is approval documented?

Who holds title to assets of the organization?

CASH DISBURSEMENT

Are checks or payments issued to "Cash" or to an individual without documentation?

Who maintains blank check stock?

Are petty cash funds maintained? Who is responsible? How is that individual reimbursed for expenditures?

SHORT AND LONG TERM DEBT

Who can authorize?

What legal entity or entities is/are obligated by the debt?

Please provide copies of all debt instruments and documents, including short-term and revolving credit accounts.

Who are authorized users of revolving credit accounts?

Does the credit obligation belong to the individual or organization?

PAYROLL

Do individuals receive payments or allowances for services?

Who authorizes these payments?

Are timecards utilized?

Are timecards approved? By who?

Who authorizes the rate of pay and how is this rate documented?

FINANCIAL REPORTS

Who prepares? Who reviews? Who validates?

Does the governing body review compensation? Budgets? Financial Reports? How is this review performed and documented?

REPORT OF THE INTERNAL AUDIT COMMITTEE (GOVERNANCE)

INTRODUCTION

The Internal Audit Committee is to issue a review an Annual Representation Letter to the Metropolitan Council as explained in Section H of the BEST PRACTICE PRINCIPLES AND POLICIES FOR FINANCIAL ACCOUNTABILITY – v1.01. (Hereinafter “BP”), containing:

- a) *A certification of the annual financial statements.*
- b) *A statement on compliance with the various policies.*
- c) *A statement on any suspected fraud, security or litigation issues.*

FINDINGS

1. Regarding Suspecting Fraud, Security or Litigation issues

The Committee is not aware, nor has it been made aware, of any fraud or security issues, or litigation arising from fraud, security or issues (such as whistle-blowing) relating to Best Practices during the period since our last meeting.

2. Policy Compliance

The committee was made aware that the policies of the Charity Committee were breached by the Metropolitan and Chancellor in the period since our last meeting. This matter has been referred to the Ethics Committee for action.

3. Certification of Annual Financial Statements

Typically the External Auditor selection process for a 12/31 year-end would begin in the previous summer with the Auditors being selected and approved at the fall meeting. Unfortunately, this did not happen at our last meeting due to the transition of Treasurers. Therefore the Treasurer has suggested that we continue to use Lambrides for 2009 and then have a formal search and selection process for the 2010 audit later this year (preferably during a meeting at Syosset during the early summer.) The Committee has agreed to this proposal. At that time we shall meet with Lambrides to fulfill our second obligation in this regard: *“to discuss the annual financial statements of the Church and any deficiencies in internal controls identified by the external auditor during the course of its audit.”*

Therefore, a report on our selection of External Auditor for 2010 and formal certification for 2009 will be deferred to the Fall 2010 Metropolitan Council meeting.

4. New Business

The development of new administrative procedures and schedules has led our OCA Internal Auditors to make a related proposal. It is not fully clear to the OCA Internal Auditors to whom the External Auditor offers his report, as traditionally this was to the Chancellor. They have recommended that in the future that report be given to the Internal Audit Committee, as well as the written report of the Internal Auditors, and have this Committee be responsible for offering both to the Metropolitan Council for review. The Committee agrees with this proposal, and offers this motion for consideration.

Mark Stokoe, Chair
Dr. Dmitri Solodow, Member

2/15/10

Report of the Metropolitan Council Legal Committee
Chairman: Gregg Nescott March 2, 2010

The Legal Committee Report was presented by Thaddeus Wojcik, esq. (General Counsel) and Gregg Nescott, esq. (Chairman) during an Executive Session.

Special Investigating Committee Report Update

Immediate Recommendations

- ✓ Retirement/Resignation/Removal of Metropolitan HERMAN and referral to the Holy Synod for discipline prior to the 15th AAC
 - *Metropolitan HERMAN retired on September 4, 2008*
- ✓ Referral of Metropolitan THEODOSIUS to the Holy Synod for discipline prior to the 15th AAC
 - *Action referred to the Holy Synod on September 4, 2008*
- ✓ Referral of former Treasurers and Comptroller to the Holy Synod for discipline prior to the 15th AAC
 - *Resolution by MC/HS on September 5, 2008 and letters issued on September 10, 2008*
- ✓ Joint letter of apology and repentance from the Holy Synod and Metropolitan Council prior to 15th AAC & joint letter of apology and commendation to John Kozey
 - *Apology posted on OCA website on September 5, 2008*
 - *Holy Synod pastoral letter of October 9, 2008*
- ✓ A joint Holy Synod and Metropolitan Council statement of commitment to implement the recommendations prior to the 15th AAC
 - *Resolution passed on September 5, 2008 and discussed at AAC*
- Seek recovery of funds from named individuals immediately after the joint session
 - *Lawsuit pending*
- ✓ OCA Legal Committee to review the Report for possible referral to Nassau County District Attorney and other authorities and report by September 30, 2008
 - *Report reviewed and sent to Nassau County DA on September 30, 2008*
 - *Legal Committee Update at MC meeting*
- ✓ Publication on the OCA website of the unabridged SIC Report no later than September 5, 2008
 - *Report posted on OCA website on September 3, 2008*
 - *Final report posted on November 12, 2008*
- ✓ Report of the OCA's external auditors to the HS and MC on the adequacy of the internal financial controls and release of the report at the 15th AAC
 - *Audit report by Weiser received and distributed at AAC*
- ✓ Establish committee to oversee and report on progress of SIC recommendations
 - *Completed September 5, 2008*
 - ***Need new chair since repose of Archbishop JOB***
- ✓ Designate MC Ethics Committee as ombudsman for concerns
 - *Completed on September 5, 2008*

- *New Ethics Committee appointed Spring 2009*
- ✓ Presentation from General Counsel to the HS and MC on fiduciary and legal responsibilities
 - *New handbook issued Fall 2009*
- Develop a “Crisis management” plan and provide effective communication
 - *Committee formed on September 5, 2008*
 - ***Bernie Wilson interviewed Chancery on Dec 1, 2009. Report due at Spring 2010 MC Meeting***

Long Term Recommendations

- Annual external audits of all OCA bodies and institutions. Audit records of former Diocese of NY/NJ. Publish audits within 30 days
 - *Weiser audit completed.*
 - *Diocese records collected and initially sorted. Handed to Diocesan team. Team handed over to accountant and reported at Fall 2009 MC meeting.*
 - ***STIC report completed and to be presented at Spring 2010 MC Meeting***
- ✓ Establish qualifications for OCA Auditors
 - *Statute Amendment passed at 15th AAC*
 - ***Committee appointed and confirmed. Work has begun***
- ✓ OCA Annual Audits to be presented to HS and MC and then published on the OCA website within 30 days
 - *Financial reports posted on website*
 - ***Quarterly posted, monthly issued internally, Annual done***
- Publication of the OCA’s Annual Budget and monthly financial reports on OCA website
 - *Reports published and budget presented at 15th AAC*
 - ***2010 budget to be passed at Spring 2010MC meeting***
- Implement changes to ensure OCA website is current, reliable and answers readers’ questions
 - *Web Team currently redesigning website to be re-launched*
 - ***Communications Task Force met on Dec 1, 2009. Reorganization of communications***
- Establishment at the 15th AAC of a long term strategic planning committee to review:
 - ***SPC formed and continuing to meet. See report***
 - ***MC retreat at Spring 2010 meeting***
 - ***HS/MC retreat planned for July 2010***

There is a question as to whether this committee needs to be continued. All functions seem to have been taken on by the SPC and other MC committees.

Report of the Strategic Planning Committee to the Metropolitan Council

I

Since the fall meeting of the Metropolitan Council, the Strategic Planning Committee has met three times in Syosset (December 2- 3; 17-18; Jan.14-15 and Feb.10-11) and communicated once in teleconference (Jan.20).

During this period, a large amount of work has gone into preparing a draft document for review and iteration by the Synod and Metropolitan Council. Following a timeline established at its first meeting in December, the SPC plans to have a honed document ready for distribution to the dioceses by the end of this summer. During the course of these meetings to date, His Beatitude Metropolitan Jonah, Archpriests Alexander Garklavs, Eric Tosi and Leonid Kishkovsky offered insights and perspectives that contributed to the present document. In February, the SPC met with the Lesser Synod and has begun incorporating its inputs.

As the committee sought to base its work on the ecclesiology and theology of the Church, its vision and mission statements look to the next 20 years and are couched in the dynamic of hierarchical conciliarity from which the Church in North America will live and function.

While the concept of hierarchical conciliarity is not an innovation, its application is. For centuries hierarchical conciliarity has been understood as an exclusively episcopal phenomenon. However, following the vision of the Moscow Council of 1917-1918 the North American Metropolia, now the Orthodox Church in America, has been striving to establish and implement a hierarchical conciliar dynamic which includes priests and laity who, with the synod of bishops, are entrusted to care for the life and work of the Church.

Recognizing the various manifestations of ecclesiology throughout history and the canonical tradition which has developed as a result of these manifestations, the SPC has attempted to maintain continuity with the past while acknowledging the ecclesial challenges and opportunities of North America.

II.

The basis for the SPC's current working draft is a collection of four texts offered by His Beatitude, Metropolitan Jonah. These texts are: **“Episcopacy, Primacy and the Mother Churches:**

A Monastic Perspective” (16 pages); **“Address to the Metropolitan Council, February 19, 2009”** (12 pages) **“Strategic Plan Input”** (8 pages); **“A Vision for the Organization of the Orthodox Church in America”** (10 pages); and **“The Road to Unity”** – an address given at the last meeting of Orthodox Christian Laity – (5 pages).

The third text, “A Vision for the Organization of the Orthodox Church in America,” is a summary of inputs made by the Synod of Bishops.

It should be stressed that the existing draft is the result of extensive discussions, iterations and clarifications made during our meetings. Consequently, the draft is the product of a conciliar process that will continue with the Synod and the Metropolitan Council. The conciliar process will eventually extend to and involve the clergy and laity of the dioceses of the OCA. Prior to the distribution of the document, dioceses will receive preparatory material to help facilitate the conciliar process of reviewing and providing suggestions for editing the draft document. The SPC will collect, review and incorporate diocesan input into a final document which will be reviewed by the Synod and MC and presented at the next All American Council.

III.

The thrust of the SPC's draft document is two-fold. On the one hand, it strives to offer a mission and vision to be implemented within the OCA. On the other hand, the document also takes into account the meetings convened in Chambesy, Switzerland, that have endorsed regional episcopal synods to be led by the exarch of the Patriarchate of Constantinople. Interpreting these regional synods as a step towards canonical episcopal unity and the eventual establishment of local autocephalous Churches in non-traditional Orthodox regions and countries, the SPC has tried to create a document that envisions a “fully united territorial and autocephalous Orthodox Church in North America...” (p.2 Draft) This implies that the draft document perceives the OCA as being involved as fully as possible in the process that will hopefully increase the momentum leading to a united episcopacy and the creation of a local autocephalous Church. The draft document envisions one local Church respecting “the great diversity of languages, traditions and the different historical origins and processes that have given birth to the existing Orthodox communities.” (p.2 Draft)

IV

At the first December meeting of the SPC, Metropolitan Jonah formed a sub-committee to look into relocating his residence and the National Chancery to the Washington D.C. area. His Beatitude encouraged committee members to involve others from the MC and from the church at large with expertise in areas relevant to these moves. Archpriest Theodore Boback, Priest John Vitko and Deacon John Zarras were appointed to the WSC.

Submitted by,

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