

ROSE FITZGERALD KENNEDY GREENWAY CONSERVANCY, Inc.
AUDIT, RISK MANAGEMENT AND FINANCE COMMITTEE

Committee Charter
11/11/2014

Purpose

The Audit, Risk Management and Finance Committee (FARMC) members have been appointed by the Board of Directors to assist the Board in developing and implementing its financial strategy and fulfilling its overall responsibilities as described below. The committee shall take all appropriate actions in establishing the appropriate standards for financial reporting, sound business practices, internal controls, risk management, public records compliance and ethical behavior.

Membership and qualifications

The FARMC shall consist of at least seven (7) Directors. These voting members shall be independent, non-management and non-staff directors, free from any relationships or financial transactions that could interfere with the exercise of his or her independent judgment. Specifically, no member of the committee shall receive any compensation (directly or indirectly from the Conservancy as a consultant or other professional services) and no member shall have a financial interest in or have any other conflict with any entity or person doing business with the Conservancy.

At least one member of the committee shall be a financial expert, which means that such person is experienced as an accountant, auditor or principal accounting officer and has adequate financial knowledge and experience to understand, analyze and reasonably assess the financial statements of the Conservancy.

The committee shall also seek advice from such other persons as the committee shall, from time to time, determine is appropriate; and such other persons shall serve in non-voting advisory capacities.

Reporting

The FARMC reports directly to the Board. Annually, the Chair(s) will report to the Board on financial, audit, risk management and other matters as necessary.

Responsibilities

Finance responsibilities:

- Develop an overall financial strategy consistent with the mission of the Conservancy.
- Review revenue and expense assumptions and recommend an annual operating budget prepared by Management for Board approval. Monitor actual revenues and expenditures against budget. Review and/or recommend adjustments as necessary.
- Review capital expenditure's budget and monitor capital expenditures in accordance with the Conservancy's procurement policy.
- Review and approve capital expenditures and unbudgeted operating expenses that under the Board approved procurement policy, are above management's authority but below the threshold required for Board approval.

Audit Responsibilities:

- Recommend the selection of the external auditor. Periodically review the auditor's performance and recommend either renewal or replacement.
- Meet with the auditor and management at least annually to review the scope of the proposed financial audit for the current year, procedures to be used, particular areas of potential risk and appropriate fees.
- Receive from auditor the required post audit communications including a management letter and oversee any issues raised are addressed appropriately by management.
- Meet with auditors without management present at least once a year to discuss internal controls and the accuracy of the financial statements. Also discuss observations on adequacy of resources as well as existing staff skills, qualifications and performance.
- Review the annual financial statements and other financial information prepared in conjunction with the audit. Recommend to the Board that it approve such statements.
- Review the annual IRS Form 990 and MA Form - prior to filing and recommend to the Board that it authorize the filing of the returns.
- Act as point of contact for any whistle-blowing issues, and, if necessary, initiate special investigations of policies, procedures and practices.
- Oversees compliance to the Conservancy's Conflict of Interest Policy, Gift Policy and Code of Conduct and Ethical Behavior.

Risk Management Responsibilities:

- Inquire of the Executive Director, the Manager of Finance and Human Resources, outside counsel and auditors about significant risks or exposures facing the organization.
- Periodically assess the steps management has taken or proposes to minimize such risks. Monitor the effectiveness of such steps.

Public Records Responsibilities:

- Oversee that the Conservancy's document management and retention policies and procedures are compliant with Massachusetts Public Record laws.
- Review applicable policy documents on an annual basis.

The committee shall, from time to time as it deems appropriate, review and reassess the adequacy of this charter and recommend any changes to the Board for approval.

Meetings

The FARMC meetings are subject to Massachusetts' Open Meeting Laws. The committee shall meet as often as it deems necessary in order to perform its responsibilities, but will meet at least twice annually: once to review the audit plan and once to review the audited financial statements and the IRS Form 990, MA Form PC and related documents.

FARMC members may participate and vote by telephone in accordance with open meeting law requirements, but only members present will be counted for a quorum.

In the event that a member of the committee becomes aware of any relationship or proposed financial transaction that may pose a conflict, such member shall immediately disclose such conflict or relationship to the other members of the committee in accordance with the Conservancy's Conflict of Interest Policy. The member shall immediately recuse him or herself from any further involvement in such matter.