Co-Chair Chris Manfredi called the meeting to order at 8:00 AM and welcomed all members of the meeting.

Upon motions made and duly seconded, it was voted to unanimously approve the minutes of the April 15th, 2015 FARMC meeting.

FARMC Meetings – New Dates
Manager of Finance, Accounting, and Human Resources Renee Wood opened with scheduling discussion of future FARMC meetings. Future meetings will be on September 4th, and September 23rd. The 990 discussion meeting scheduled for October 21st will now be October 30th.

AAF pre-audit presentation
Mr. Keller and Mr. Finning described the core goal of the presentation: to discuss audit risks and financial statement presentation items. Fieldwork will be July 28th to August 8th.

Regarding audit risks, Mr. Finning mentioned that the IRS has increased scrutiny of credit card employee reimbursement transactions. AAF software analyzes a company’s General Ledger, specifically revenue streams, highest paid vendors, amount and value of transactions, and keywords. The software uses Benford’s Law, a statistical phenomenon governing the likelihood of a given digit appearing in a population. Such analytic software is a valuable judge of consistency and transparency in the ledger.

A meeting regarding the IT Security portion of the audit will take place at the end of June. This will encompass systems with possible risk of fraud: donor software, expense reports, and auto-payments to and from vendors.
The Committee also discussed proposed changes to the presentation of the financial statements, including the presentation of the TIFF Multi Asset Fund in the investment footnote. No final decisions were made and the presentation of the financial statements will be further discussed when the drafts of the audited financials are presented in September.

**Enterprise Risk Management**

The committee compared the Enterprise Risk Management dashboard from last year and this year. It was noted that, other than contractor COI compliance and staff turnover (both of low consequence), there were only improvements from last year.

**FY14 Budgeted Expenses Update**

Expenses have been lower than expected in FY14, particularly with regard to salaries. The positions of Executive Director and Chief Operating Officer have not been occupied concurrently, and the Maintenance and Horticulture Dept. and Programs Dept. have had long-standing vacancies. The Planning and Design Dept. has contracted a former employee during the process of hiring a Public Art Curator. The Committee was reminded that low expenses due to vacancies are not annually reliable.

**Staffing Updates and FY15 Budget**

The Admin. Dept. has had a larger staff historically, and the Programs Dept. expects to make a new hire soon. The M+H Dept. has posted two Greenway Ranger positions. The Conservancy might also consider hiring security assistance from private firms, allowing Rangers to focus more on outreach. Such a strategy would also reduce the effects of possible turnover.

Few expenses from the phased-out Green and Grow program hit the FY14 budget, with none in the FY15 budget. The budget for FY15 is 84% programmatic, a higher percentage than ever before. As other sources of funding increases and state funding remains constant, the public proportion of the budget decreases.

The Conservancy has received generous donations for Public Art, which will cover the salary of the Public Art Curator, in addition to future projects. The Conservancy is currently seeking funding for capital repairs in the North End Parks.

Mr. Brackenbury finished by describing minor changes to employee guidelines.

The Finance Audit Risk Management Committee meeting concluded at 9:37 AM, June 10th, 2014.