

American Mathematical Society

Audit and Risk Committee

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General Description

- Committee is a standing committee of the Board of Trustees.
- Number of members is four, consisting of the Treasurer, the Associate Treasurer, the third- year elected Trustee, and the Chair of the Board of Trustees. The Chair of the Board of Trustees may expand membership to include the entire Board.
- The Chair is the Treasurer.

Responsibility

The Committee's primary responsibility is to assist the Board in fulfilling its oversight responsibilities with respect to (i) the audit of the Society's books and records; and (ii) the system of internal controls that the Society has established. The Committee should have a clear understanding with the outside auditors that they must maintain an open and transparent relationship with the Committee, and that the ultimate accountability of the outside auditors is to the Board and the Committee. In addition, the committee will be responsible for overseeing the enterprise risk management of the organization. Enterprise risk management includes overseeing the operational business risk issues affecting the Society, such as data security, financial, and other operational risks. The committee will ensure that the management of these risks remains robust, appropriate, and effective. The Committee will make regular reports to the Board concerning its activities.

Principal Activities

The Audit and Risk Committee meets annually with the outside auditors to review the annual audit of the financial statements, and report their findings to the full Board. A written report of their findings is prepared for inclusion in the minutes of the applicable meeting of the Board.

During the course of their work members of the Committee endeavor to determine that the auditors were independent, that they conducted their audit in accordance with generally accepted professional standards, that their audit complied with any applicable governmental regulations, that they were given access to all the books and records of the Society, and that staff were responsive to all reasonable requests for information and assistance.

The Board of Trustees has directed that the audit partner and/or manager for the annual audit "should be changed on a regular basis." A guideline interval for changes is 6 to 8 years, although the Board did not fix a number. There should be a standing item on every Audit and Risk Committee agenda to discuss the possibility of changing.

The Audit and Risk Committee will review the AMS's key policies and processes for identifying and assessing business risks and the management of these risks. The committee will review the outcome of various risk programs across the organization and will assess the adequacy of the levels of insurance maintained to cover certain risks.

Starting in May 2007, the entire Board will meet with the auditors every four years.

Audit and Risk Committee meetings should be scheduled as close to the start of the ECBT meeting as possible, so that it is maximally convenient for any interested Trustee to attend.

Other Activities

From time to time the Audit and Risk Committee may conduct or oversee independent

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investigations into accounting matters and otherwise carry out functions consistent with their overall responsibilities and the requirements of the Board of Trustees.

Staff Support and Liaison

The Chief Financial Officer and the Executive Director are responsible for working with the Committee and providing assistance to the Committee when deemed necessary.

Authorization

12/70 ECBT Minutes, pg. 7, #39

The Board of Trustees approved the recommendation of the Treasurer that a Committee on the Audit be established, the members be appointed from the Board with the Treasurer and Assistant Treasurer not being eligible for appointment.

11/89 ECBT Minutes, pg. 14, #7.10

The Board of Trustees approved the ABC's recommendation that the third and fourth year Trustees serve on this Committee.

5/90 ECBT Minutes, pg. 6, #3.8

The Board of Trustees approved the ABC's recommendation that the members of the Audit Committee be the Chair of the Board of Trustees and the Treasurer.

11/02 ECBT Minutes, item 3.6

Charge and membership of Committee changed. Members now are Treasurer (Chair), Associate Treasurer, Chair of Board of Trustees.

5/04 ECBT Minutes, item 3.4

Membership of Committee changed. Members are now Treasurer (Chair), Associate Treasurer, Chair of Board of Trustees, third-year elected Trustee. Starting in May 2007, the entire Board will meet with the auditors every four years. Audit Committee meetings should be scheduled as close to the start of the ECBT meeting as possible, so that it is maximally convenient for any interested Trustee to attend.

11/05 ECBT Executive Session Minutes, item 3E.2

Board of Trustees directs that the audit partner and/or manager for the annual audit "should be changed on a regular basis."

11/17 ECBT Minutes, item 3.4, Att. #23

The name of the committee was changed from Audit Committee to Audit and Risk Committee and the charge to the committee was expanded.

Note to the Chair

Work done by committees on recurring problems may have value as precedent or work done may have historical interest. Because of this, the Council has requested that a central file system be maintained for the Society by the Secretary. Committees are reminded that records of work should be kept and submitted annually to the Secretary for archival purposes. Confidential material should be noted, so that it can be handled in a confidential manner.

Past Members

A list of current and past members is available at

<http://www.ams.org/about-us/governance/committees/audit-past.html>