

What's The Difference?  
**Audit Committee vs. Finance Committee**

<b>AUDIT COMMITTEE</b>	<b>SHARED RESPONSIBILITIES</b>	<b>FINANCE COMMITTEE</b>
<p>The audit committee is authorized to consider matters related to (a) the financial statements of the organization and other official financial information provided to the public;</p> <p>(b) the systems of internal controls, including overseeing compliance by management with applicable policies and procedures and risk management (e.g., for organizations that are part of a national network, annually reviewing whether the organization meets the re-chartering requirements of its national organization);</p> <p>and (c) the annual independent audit process, including the recommended engagement of and receiving of all reports from the independent certified public accountants. The audit committee shall have such other authority and perform such other duties as may be delegated to it by the board.</p>	<p>The finance committee ensures that budgets and financial statements are prepared; the audit committee has oversight for ensuring that reports are received, monitored, and disseminated appropriately.</p> <p>The finance committee monitors financial transactions; the audit committee makes sure things are done according to policy and with adequate controls.</p> <p>The finance committee provides guidance about what can be done; the audit committee ensures that independent oversight occurs.</p>	<p>The finance committee shall oversee the preparation of the annual budget and financial statements.</p> <p>The finance committee shall oversee the administration, collection, and disbursement of the financial resources of the organization.</p> <p>The finance committee shall advise the board with respect to making significant financial decisions.</p>

Source: NonProfit Risk Management Center Website  
 For more information on any risk management topic, contact the  
 Nonprofit Risk Management Center at [www.nonprofitrisk.org](http://www.nonprofitrisk.org) or (202) 785-3891.