



As voted at the Annual Town Meeting held on April 23, 2012.

Audit Committee (“Committee”) Charter

1. The Committee shall serve as advisory to the Board of Selectmen with respect to the Town's financial reporting, financial management systems and controls, annual financial audit and special audits or reviews.
2. The Committee will be comprised of five citizens of the Town who will be voting members of the Committee, of whom three members will be appointed by the Moderator and two members will be appointed by the Board of Selectmen.
3. To maintain the independence and transparency of the Committee, both in appearance and in fact, voting members shall be citizens of Hingham, volunteers, not otherwise employed by the Town or serving on a Town elected or appointed committee or board. The majority of the members of the committee shall have a basic understanding of finance and accounting.
4. After the initial Committee member's terms, all subsequent Committee member's terms will be for three years. No members may serve for more than two consecutive three-year terms, not including service for a shorter term or to fill a vacancy for the unexpired portion of a three-year term.
5. The Town Administrator and the Town Accountant/Finance Director shall serve as non-voting members of the Committee. The Chairman of the Advisory Committee shall appoint two of its members to serve as liaisons to the Committee.
6. Under the direction of the Selectmen, the Committee's responsibilities will include, but are not limited to:
 - a) Ask the Town Administrator to issue, at least every nine years, a Request for Proposals (“RFP”) for an independent auditing firm to conduct, in accordance with Generally Accepted Auditing Standards, an annual audit of the financial statements of the Town.
 - b) Assist in the RFP review and selection process and recommend to the Board of Selectmen, based on the results of the RFP, the firm to conduct the audit and the scope of services to be provided.
 - c) Review and evaluate the performance of the independent audit firm conducting the audits of the financial statements of the Town and its relationship with the Town.
 - d) Review the annual financial statement and reports prepared by the independent audit firm and make recommendations with respect to these reports as appropriate.
 - e) Review with the independent auditor and the Town Accountant/Finance Director the adequacy of the Town's internal controls over accounting, administration, compliance with laws and regulations and financial reporting.
 - f) Make recommendations for areas of operations where expanded scope audits or reviews may be appropriate.
 - g) Review written responses of Town management to “letter of comments and recommendations” from the independent auditor and discuss with management the status of implementation of prior-period recommendations and corrective action plans.
 - h) Meet in public session at least four times per fiscal year.
 - i) Appoint a chairman and secretary annually; with no individual member serving as chairman for more than three consecutive years.
 - j) Report, at least annually, to the Town at an open meeting to the Board of Selectmen on the Committee's activities, findings, recommendations and corrective actions taken during the preceding reporting period.
 - k) Establish a Charter for its work and annually review the Charter with the Board of Selectmen.