



To: Risk Management Committee
From: Nick Williams, Risk Management Committee Staff Liaison
Date: March 27, 2024
Re: Risk Management Committee Update

The Risk Management Committee met on March 11, 2024. The Committee Chair is Ms. Anne Sapon. The Committee reviewed the committee charter. The Committee then performed their annual review of the Foundation's Code of Conduct Policy and Policy on Confidentiality, requesting that both forms be filled out by staff and Trustees on an annual basis. The Committee also reviewed the Conflict of Interest form used by the Community Impact team for grant committees and scholarship committees. Lastly, the Committee reviewed a potential conflict posed by a potential new trustee, outlined below.

Staff identified a conflict of interest between prospective Trustee for the Board of the Albuquerque Community Foundation ("the Foundation") Dr. Meriah Heredia Griego and the Foundation/New Mexico Community Trust ("NMCT"). Dr. Heredia Griego is a part owner of Levado Consulting. In 2022 Levado Consulting responded to an RFP put out by the Trust for a consultant job related to the Trust's administration of the Federal Housing Stability Program. An independent committee of community members reviewed the responses to the proposal and hired Levado Consulting for the work. This work occurred during 2022 and 2023 and was recently renewed in 2024 for a second and final stage of the work. This contract is expected to be completed at the end of 2024.

While Dr. Heredia Griego does not work directly on the consulting work related to the Trust staff noted the conflict caused by her ownership stake and flagged this as a conflict of interest.

Based on guidance used by the Audit and Risk Management Committee in 2021 when analyzing a conflict of interest, staff reviewed the AICPA Conceptual Framework for dealing with actual and apparent conflicts of interest. While this guidance is focused on public accounting the committee at that time felt this was a helpful tool.

The basic elements of the conceptual frameworks are:

- 1) Demonstration of awareness of conflicts of interest
- 2) Assessment and consideration of the facts and the policy and public perception
- 3) Determination of whether safeguards can be applied
- 4) Documentation and transparency of the analysis and conclusions.

Staff proposed to the Risk Management Committee using this memo to demonstrate awareness of the conflict of interest. The Foundation's Code of Conduct policy states that the key to the policy is disclosure. Dr. Heredia Griego's conflict will be disclosed to the Board before voting on her nomination. Staff believe that the approval of Dr. Griego as a Trustee would not be in violation of any Foundation policy and that the public perception of an approval would not be negative.



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The additional safeguards put in place will be the disclosure of this conflict to the Board of Trustees. Dr. Heredia Griego, as all Trustees are required to do, will fill out an annual conflict of interest documenting her interest in Levado Consulting. Any future contracts with Levado Consulting will need to be reviewed by the Risk Management Committee before approval by the Foundation or the Trust. Dr. Heredia Griego will be forced to abstain from any vote taken by the Board of the Foundation or any Foundation committees which would relate to the work of Levado Consulting and its relationship to the Foundation or the Trust.

The Risk Management Committee agreed with this assessment and noted that it is important that the Foundation properly document this so as to combat any perceived conflicts by the community.