

Finance, Audit and Risk Committee Terms of Reference

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1 Duties and Responsibilities

1.1 Internal financial management, reporting and monitoring

Review and advise the Board on the financial management and financial sustainability of the Company.

Review and recommend on:

- Accounting systems and process
- Bank accounts and signatories
- Budgeting
- Income management
- Expenditure control
- Cash flow
- Investments
- Financing and borrowing
- Safeguarding of assets
- Complex, major or unusual transactions

1.2 Internal Controls to prevent and detect fraud, errors and misstatements

- Review and evaluate internal control policies and procedures
- Receive documented assurance from management and auditors as to the adequacy and quality of internal controls as they relate to the finance function
- Commission specific investigations relating to financial matters, records, accounts and reports which it considers appropriate.

1.3 External financial reporting

Review and make recommendations to the Board on:

- The approval of the annual financial reports
- Consistency of any annual report with the financial reports and other relevant circumstances
- Accounting principles and policies impacting the financial reports
- Financial risks
- Such other financial reports as appropriate issued to other regulators or contractual authorities (e.g. Government agencies)

Review significant financial reporting issues and complex transactions

Ensure the financial reports comply with accounting standards and include adequate disclosure.

1.4 External audit by a qualified auditor

- Consider and address any reports prepared by the external auditor in relation to the financial accounting, reporting and internal control processes.
- Ensure all recommendations made by the external auditor are addressed by management and implemented as appropriate.
- Review the independence and performance of the external auditor and recommend the appointment / rotation / replacement of the external auditor as necessary.
- Resolve, as far as possible, any disagreements between the external auditor and management regarding financial reporting.
- Review the external auditor's annual statement of their independence.

1.5 Risk Management and Mitigation

Oversee the Company's risk management framework and processes. Identify risks and potential mitigation strategies to address them.

1.6 Compliance

Evaluate the adequacy and effectiveness of legal and regulatory compliance control and reporting systems.

Compliance with laws, regulations, the Company's constitution and policies, contractual government or other commitments and discharging reporting or other requirements of regulators.

1.7 Avenue for whistleblowers

Act as an independent avenue for 'whistle blowers' and disclosures of possible illegal activities (e.g. fraud, corruption or improper payments) where appropriate and within its area of responsibility.

2 Framework and Context

2.1 Establishment of the Committee

The Finance, Audit and Risk Committee is a Committee established by, and of the Board (pursuant to the Constitution) to assist the Board in maintaining sound corporate governance framework and undertaking its fiduciary duties and responsibilities.

2.2 Authority

The Committee has limited delegated authority from the Board to undertake its approved role and purpose and discharge the activities detailed in the document.

The Committee is advisory only and not a decision-making Committee.

The Committee, or parties engaged to assist the Committee, may request any relevant information it requires from staff. Staff members are required to cooperate with such requests.

2.3 Composition

The Committee members will be appointed by the Board with a maximum of 5 members:

- The Finance, Audit and Risk Chair (committee chair) and a second member of the Board (committee deputy chair)
- 1 Member representative with experience in risk and/or financial management
- 1 suitably qualified independent financial and risk specialist, with no personal connection to the Board, and who may be drawn from the community rather than membership
- The CEO.

[The President and President-elect are ex officio members of all committees of the Company.](#)

Appointments for independent members shall be for two years. Independent members are eligible for reappointment.

No member should serve on the Committee for more than 4 years, with the exception of the CEO who serves by virtue of being the Chief Executive Officer.

The Committee appointment and term expiration will be staggered to facilitate continuity of knowledge within the Committee.

2.4 Invitees and Support

Persons other than Committee members may attend meetings of the Committee by invitation.

Staff including the Company Secretary and accountant will provide support to and attend Committee meetings as requested.

Internal and external auditors may be invited to attend Committee meetings as required. Such invitees may take part in discussions, but have no voting rights.

2.5 Meetings

The Committee will meet at least 3 times a year and as required by changed or special circumstances.

The external auditor should attend at least one meeting annually when the financial statements are being considered and may request any additional meetings.

In exceptional circumstances the Chair may request a private or 'in camera' meeting of Committee members only with selected invitees as appropriate without staff members present.

A quorum will be more than half the members.

All members are expected to attend every meeting either in person or via telephone or videoconference.

The notice and agenda of a meeting will include supporting papers.

The Board may request and receive the notice and agenda for a forthcoming meeting.

2.6 Voting

All matters requiring decision will be decided by a simple majority of votes of members present. The Chair has no casting vote.

2.7 Conflicts of Interest

Conflicts of Interest of members should be avoided.

Committee members are to disclose all conflicts of interests and potential conflicts of interest at the commencement of each meeting and the Committee will determine if the participation of a Committee member should be limited because of a determined conflict of interest.

Members and invitees having a real or perceived conflict of interest may not participate in any discussion on the conflicted matter.

2.8 Confidentiality

Unless required by law or the Constitution, all Committee discussions and documentation are confidential to the Committee, relevant staff, the auditor and the Board.

2.9 Reporting

The Committee will report to the Board following each Committee meeting.

If appropriate, the Committee shall present a specific report with recommendations to the Board regarding adoption or rejection of the annual financial statements.

2.10 Reviews

The Committee shall:

- Undertake a self-assessment performance review annually, coordinated by the Chair.
- Annually review this Terms of Reference to ensure its relevance, effectiveness and consistency with the Strategic Plan.
- Seek Board approval for any proposed amendments to the Terms of Reference.

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