Finance, Risk, and Audit Committee Charter

The purpose of this charter is to clearly define the respective roles, responsibilities, and authorities of the Board's Finance, Audit and Risk sub-committee. Although each charter will be different, this template is indicative of matters that may be included but should not be seen as required or exhaustive.

1. Purpose

The Finance, Audit and Risk Committee (the Committee) appointed by the Board assists the Board in fulfilling its oversight responsibilities relating to the:

- preparation and integrity of the AFF's annual budget, financial accounts and statements
- review of the organisation's budget and quarterly financial performance or as otherwise required
- review of business cases outside of approved budget
- internal controls, policies and procedures that the AFF uses to identify and manage business risks
- The AFF's insurance activities
- qualifications, independence, engagement, fees, and performance of the AFF's external auditor
- External auditor's annual audit of the AFF's financial statements
- the AFF's compliance with legal, regulatory requirements and compliance policies.

The existence of the Committee does not imply the fragmentation or diminution of the role of the Board to ensure the integrity of the AFF's financial reporting.

2. Authority

The Board has authorised the Committee, within the scope of their duties and responsibilities set out in this charter to:

- perform the activities required to address its responsibilities and make recommendations to the Board
- resolve any disagreement between management and the external auditor, with areas of significant disagreement advised to the Board
- select, engage, and approve fees for any professional advisers that the Committee may require to carry out its duties
- require the attendance of any of the AFF's managers or staff members at meetings as appropriate; and
- have unrestricted access to management, employees and information it considers relevant to its responsibilities under this charter.

3. Membership

The Committee appointed by the Board shall comprise at least three Members.

The Committee Members shall be:

- "financially literate" as defined by the Board (i.e. able to read and understand financial statements and challenge information presented in Committee meetings); and
- have at least one external and independent Member who shall be a Certified Practicing Accountant or Chartered Accountant.

Committee member rotation is encouraged.

The Company Secretary or their designate is the Committee Secretary.

4. Chair

Following consultation with the Directors, the Board Chairperson proposes the Committee Chairperson for approval by the Board.

The Committee Chairperson must not be the Chairperson of the Board.

Should the Committee Chairperson be absent from a meeting, the Committee Members present must appoint a Chairperson for that particular meeting, who should not be the Chairperson of the Board.

5. Education

The Board is responsible for providing new Committee members with an appropriate induction program and ongoing educational opportunities.

6. Meetings

The Committee must meet at least four times per year and participants may attend by video conference (including Skype) and/or teleconference.

The Committee Chairperson, any Committee Member or the Committee Secretary may call a meeting of the Committee.

7. Meeting Attendance

Any person may be invited by the Committee Chairperson to attend meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation shall be issued to:

- Chief Executive Officer
- Chief Financial Officer/Finance Manager
- Engagement Partners of the External Audit Firm

8. Quorum and Voting

A quorum must consist of two members of the Committee.

The Committee Chairperson shall not have a second or casting vote.

9. Minutes

The Committee Secretary or delegate must prepare the minutes of the Committee within seven (7) working days. After the Committee Chairperson has given preliminary approval, the draft minutes are circulated to all Committee members and the other Directors.

10. Reviews

The Committee will review at least annually this Committee charter and recommend to the Board for approval any appropriate amendments.

11. Duties and Responsibilities

In assisting the Board in fulfilling their responsibilities, the duties of the Committee shall be:

1.1. Assessment of financial information

- Conduct or authorise investigations into any matters within its scope of responsibility, including retention of independent external advisors as it considers necessary.
- Review any significant accounting and reporting issues, including professional and regulatory announcements and to understand their effect on the Organisation's financial statements.
- Review the annual financial statements of the AFF which require approval of the Board and discussion of the financial statements with the External Auditor and management before submission to the Board.
- Review, at least annually, the written attestations provided by the CEO and CFO/Finance Manager.
- Review, for potential conflicts of interest situations, and pre-approve all related party transactions on an on-going basis.

1.2. External Auditor

- Recommend to the Board the appointment, evaluation, and dismissal of the external auditor, including independence matters.
- Review and approve the external auditor's proposed audit plan and audit approach, including materiality levels.
- Review and agree on the terms of engagement and the audit fees for the external auditor prior to the commencement of each audit.
- Review the external auditor's summary management report, detailing the results and significant findings from the audit, and management responses.
- Meet regularly with the external auditor, without management present.

1.3. Business Risks and Internal Controls

- Recommend the approval of the AFF risk management policy to the Board and oversee the risk management system and its resourcing.
- Recommend to the Board and monitor the AFF risk profile developed by management, covering the principal enterprise-wide risks, including strategic, operational, legal and financial.
- Review the operational effectiveness of the policies and procedures to risk and the AFF internal control environment.
- Review the effectiveness of the AFF insurance activities.

1.4. Compliance

- Review the effectiveness of the AFF approach to achieving compliance with laws, regulations, industry codes and the AFF policies.
- Review any correspondence from regulatory bodies regarding significant issues.
- Ensure that there is a process for the Board Chairperson and Committee Chairperson to be immediately informed of any issues of significant non-compliance or litigation; when implemented.

1.5. Reporting

- The Committee Chairperson will report to the Board on the Committee meetings regarding all relevant matters and appropriate recommendations in a written report (with supporting material) for noting or approval by the Board.

- The Committee Chairperson will ensure that the Board Chairperson and the Board are immediately informed of matters that may impact significantly on the financial condition or reputation of the Organisation.

Attachment 1 – Finance, Audit and Risk Committee Annual Pro-Forma Agenda

	Scheduled meetings			
Structure and skills				
Review Audit and Risk Committee charter and set Annual Agenda.				Sep. to Nov.
Assess Committee's independence, financial literacy, skills and experience.				Nov.
Establish number of meetings for forthcoming year				Dec.
Committee Chair to establish meeting agenda and required attendees				Dec.
Assessment of financial information				
Review significant accounting and reporting issues.	Yes	Yes	Yes	Yes
Review and make changes based on the feedback from the ASC Financial Benchmarking report for the previous year.			Sep. To Nov.	
Review and approve annual Financial Statements.		April		
Review the AFF's internal control structure and procedures for financial reporting, including any significant deficiencies or material weaknesses.		May To July		
Review and discuss any reports submitted by the External Auditor.		May To July		
Review process, policies and procedures for continuous disclosure obligations.	Yes	Yes	Yes	Yes
Review conflicts of interest and related party transactions	Yes	Yes	Yes	Yes
External Auditors				
Recommend appointment and review performance.				Oct. To Nov.
Review audit plan and scope of audit work and any changes.				Dec. To Mar.
Approve audit fees and terms of engagement.				Dec.
Consider policy in relation to non-audit services, ie for preparation of Financial Statements.				Nov. To Dec.
Review and pre-approve non-audit services, ie for preparation of Financial Statements.				Nov. To Dec.
Consider objectively the independence of the External Auditor, including obtaining written confirmation of their independence.				Nov.
Review the External Auditor's report and findings and progress on Management actions.	Feb To Apr.			
Discuss any significant changes in accounting standards.	Feb. To Apr.			
Discuss appropriateness of accounting policies, estimates and judgments.	Feb. To			

	Scheduled meetings			
	Apr.			
Discuss the External Auditors' view on control environment, including fraud risk management.	Feb. To Apr.	May		
Resolve any disagreement between Management and the External Auditor in the financial reporting and report any significant issues to the Board.	Feb. To Apr.			
Discuss issues with the External Auditor in the absence of Management.	Feb. To Apr.			
Review report from the External Auditor on quality control procedures		Mar.		
Review the External Auditor's process for rotation				Oct. To Nov.
Business Risk and Internal Controls				
Recommend the approval of the risk management policy to the Board			Oct. To Nov.	
Review and monitor business risks and internal controls and report to the Board	All	All	All	All
Review Insurance activities				Dec.
Reporting				
Maintain minutes and report to the Board	All	All	All	All
Budget				
Prepare next year's Budget. Inputs include: Previous year's Budget and Actuals, Board strategic funding decisions for the next year, Significant Administrative for Management changes, Grant (both potential and actual) allocations, High Performance Commission Budget.				Oct. To Dec.
Approval of next year Budget.				Nov. To Dec.
Quarterly Review of Current Years Budget.	Mar.	July	Sep.	Dec.