



## ACA Audit, Finance and Risk Committee Charter

### Role

The role of the Audit, Finance & Risk (AF&R) Committee is to assist the ACA Board in fulfilling its governance responsibilities by providing oversight and direction of ACA's financial and risk management programs.

In fulfilling its obligations, the AF&R Committee is to provide advice and recommendations to the Board within the scope of its terms of reference as outlined in this Charter.

AF&R supports the Board's oversight responsibilities relating to:

- Financial Management
- External Audit
- Investments
- Compliance
- Internal Controls & Audit
- Risk Management

### Duties and Responsibilities

In supporting the Board's responsibilities, the duties of the AF&R Committee shall be to:

#### Financial Management

- Review and provide oversight of the development of the annual budgeting process;
- Monitor the financial performance against the Board approved budget;
- Ensure that financial reporting is provided to an appropriate standard, specifically that it is reliable and objective.

#### External Audit

- Consider and make recommendations to the Board on an annual basis as to the recommendation of external auditors for ratification at the AGM;
- Agree with management and the external auditor the scope, cost and timing of , the annual external audit plan;
- Monitor the performance of the external auditor;
- Review the external auditor's annual financial report and make recommendation (as appropriate) to the Board;
- Discuss problems and concerns arising from the audit, and any matters the auditor may wish to discuss (in the absence of the Executive Officer where necessary);
- Review the auditor's management letter(s) including scope, timing, interim and final reports;
- Review all representation letters signed by management.

### Investments

- Oversight and monitoring of the ACA's financial investments;
- Approve any management recommendations regarding its investments;
- Monitor and ensure reporting to the Board on the financial performance of investments;
- Develop and review investment and reserve policies on an annual basis.

### Compliance

- Ensure there are processes in place to confirm compliance with laws, regulations, legal obligations, accounting standards and internal policies.

### Internal Controls & Audit

- Ensure the adequacy and effectiveness of financial and non financial controls including the exposure to fraud and theft;
- Review the auditor's recommendations to internal control evaluations and monitor the implementation of agreed actions by the Executive Officer;
- Monitor all financial matters and review major capital expenditure proposals.

### Risk Management

- Ensure there is an adequate risk management framework developed and implemented;
- Monitor and review the Risk Register and other reporting of risk information to the Board, including steps to minimise such risks;
- Annually review insurance coverage and monitor the adequacy of insurances.

### **Membership and Meetings**

- The AF&R Committee shall be appointed by the Board and comprise of up to three Directors of the Board;
- The Board shall appoint a Director as AF&R Chair, who shall not be the Chair of the Board;
- The Chair of the Board will be ex-officio member of the Committee;
- The Executive Officer is Secretary to AF&R and will attend all meetings;
- Directors of the Board may attend meetings of the AF&R Committee;
- All members of the AF&R Committee must be financially literate. It is desirable that at least one member has accounting or financial management expertise;
- The AF&R Committee may invite any staff or external or internal auditor to attend all or part of a meeting of the AF&R Committee;
- With Board approval, the AF&R Committee may procure independent experts and institute any investigation it considers necessary to fulfill its obligations and responsibilities;
- A meeting quorum shall be at least two Committee members;
- The AF&R Committee shall meet as a minimum on a quarterly basis;
- Membership of the AF&R Committee is to be reviewed by the Board annually.

**Authority**

The AF&R Committee acts as an advisory and review committee on behalf of the Board and as such does not have delegated decision making powers unless specifically stated by the Board.

**Reporting Procedures**

The Committee Secretary must prepare the minutes of the Committee meetings and circulate to all Committee Members for review within two weeks following each meeting. Following approval by the committee, the minutes will be distributed to all Board Directors within 4 weeks of each meeting.

The Chair of the Committee shall report to the Board at each Board meeting as appropriate.

**Review of and Access to Charter**

The AF&R Committee will review this charter every three (3) years or as often as the Committee determines and recommend to the Board any changes it determines necessary.

This Charter will be available to view on the ACA website and/or a copy will be made available on request.

**Charter History and Version Control**

<b>Version</b>	<b>Reviewed By</b>	<b>Review Date</b>	<b>Approved By</b>	<b>Date Approved</b>
1.0			Board	May 2015
1.1			Board	August 2016
1.2	Audit, Finance & Risk Committee	17 <sup>th</sup> October 2017	Board	11 <sup>th</sup> November 2017