

# AUDIT, FINANCE AND RISK MANAGEMENT COMMITTEE CHARTER

(Version 2)

## Role and responsibilities

1. The Audit, Finance and Risk Management Committee (Committee) is not a policy-making body nor does it have substantive executive function. However, it assists the Board in developing board policy and monitoring corporate activity within the scope of its remit, and making recommendations to the Board for resolution.
2. The role of the Committee includes assisting the Board in the organisation's governance and exercising of due care, diligence and skill in relation to:
  - a) financial management;
  - b) risk management;
  - c) business policies and practices;
  - d) protection of the company's assets; and
  - e) compliance with applicable laws, regulations, standards and best practice guidelines.
3. Other Committee objectives include:
  - a) overseeing the effectiveness of the internal and external audit functions and providing a forum for communication between the Board and the internal and external auditors;
  - b) ensuring the independence of the External Auditor; and
  - c) ensuring an ethical culture is embedded throughout Squash Australia.

## Authority

4. The Board authorises the Committee to:
  - a) oversee the appointment, compensation and work of any registered auditor employed by the organisation
  - b) resolve any disagreements between management and the auditor on financial reporting
  - c) pre-approve all auditing and non-audit services
  - d) retain independent counsel, accountants or others to advise the Committee or assist in the conduct of an investigation
  - e) seek any information it requires from employees, who are directed to co-operate with the Committee's requests, or from external parties.

## Composition

5. The Committee will consist of no more than 5 members, with at least two, and no more than three, Board members as members. The Board, usually on recommendation of its Nominations Committee, will appoint Committee members.
6. At least one of the External Members must be either a Certified Public Accountant or Chartered Accountant.
7. The Committee will elect its Chairman. The Chair of the Committee must be non-executive and independent, and must not also be the Chair of the Board.
8. Membership of the Committee is reviewed annually and confirmed by the Board. Members are eligible for reappointment.

## Invitees

9. The Committee may invite other people to attend its meetings as it sees fit and consult with other people or seek any information it considers necessary to fulfil its responsibilities. Persons who may commonly be invited to attend include The Chief Executive Officer and the External Auditor.
10. These people may take part in the business of, and discussions at, the meeting but have no voting rights. At times all executive and management personnel will be invited to leave the meeting to allow the Committee to have a closed session either with or without the presence of the External Auditor.

## Meetings

11. The Committee will meet at least two times a year and additionally as the Committee considers necessary at appropriate points in the audit cycle. The External Auditor may request a meeting at any time.
12. A quorum will be more than half the members. In the Chair's absence from a meeting, the members present will select a Chair for that particular meeting.
13. All members are expected to attend each meeting in person or through other approved means such as teleconferencing or video conferencing.
14. The Notice and Agenda of a meeting will include relevant supporting papers.

## Voting

15. Any matters requiring decision generally will be decided by consensus, or if a consensus is not achievable, then by a majority of votes of members present.

## Conflicts of Interest

16. Committee members will be invited to disclose conflicts of interest at the commencement of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged.
17. Where members or invitees are deemed to have a real or perceived conflict of interest, they will be excused from Committee discussions on the issue where a conflict exists.

## Secretariat duties

18. The Secretary of the Committee is a person nominated by the Committee Chair. The Secretary will assist the Chair to develop and distribute agendas, papers and minutes.

## Minutes

19. Minutes must be prepared, approved by the Chair and circulated to the members within two weeks of a meeting. The minutes must be ratified at the next meeting of the committee and signed by the Chair at that meeting.

## Reporting to the Board

20. The Chair is to report to the Board following each Committee meeting.
21. The manner of reporting may be by distribution of a copy of the minutes supplemented by other necessary information, including recommendations requiring Board action and/or approval.
22. The Chair is to organise the supply of information regarding the Committee which is to be included in the Annual Report.

## Reviews

23. The Committee should review this charter and its composition annually to ensure that it remains consistent with the Board's objectives and responsibilities. The Board should consider the Committee's review and either approve or further review the Committee's Charter and/or composition.

## VERSION CONTROL

Version 1	October 2013
Version 2	November 2014