

Finance, Audit and Risk Committee Terms of Reference

Role of the Committee

The Finance, Audit and Risk Committee is a committee of the Board of Australian Nursing and Midwifery Accreditation Council Limited (ACN 143 879 396) (**ANMAC**) as established under clause 44 of the Constitution of ANMAC. The role of the Committee is to assist the Board to perform its fiduciary duties and to fulfil its responsibilities in relation to the efficient governance and performance of ANMAC in respect of:

- All aspects of financial management and financial reporting, including the budget process
- External audit of the year-end financial statements
- Internal audits and review of the internal control framework
- Risk management
- Financial and KPI reporting to Ahpra

Accountability

The Committee is an advisory committee of the Board of ANMAC and has no authority to make decisions on behalf of the Board except as set out in these Terms of Reference or otherwise delegated by the Board.

The Committee will carry-out all its functions not inconsistent with ANMAC's Constitution and Board policies.

Authority

The ANMAC Board authorises the Committee, in accordance with its role and responsibilities, to:

- Obtain any information it requires from any staff member or external party (subject to any legal obligation to protect information)
- Discuss any matters with ANMAC's auditors, or other external parties (subject to confidentiality considerations)
- Request the attendance of any staff member or any members of the Board at Committee meetings
- Obtain legal or other professional advice or incur costs at the entity's expense within budget and with the Board Chair's approval, as considered necessary to meet its responsibilities.

All recommendations of the Committee are to be referred to the Board for decision, other than:

- Internal audit – the appointment of internal auditor(s) and the internal audit plan and budget
- Compliance and financial management frameworks

Functions of the Committee

In fulfilling its role, the Committee will carry out, but not be limited to, the following functions:

General

1. Address in a timely manner any matter referred to the Committee by the Board

Financial reporting

2. Review the proposed annual budget (*including Capital Expenditure*) to ensure that financial resources are aligned with business plans and recommend any changes to the Board as appropriate.
3. Review the appropriateness of ANMAC's financial reporting and ensure compliance with mandatory requirements.
4. Review ANMAC's annual financial statements and provide advice to the Board regarding the signing of the Directors Declaration
5. Ensure that ANMAC's accounts are audited on an annual basis. Provide feedback to the Board regarding the audit process and advice on action to be taken on significant issues raised during the audit process
6. Act as a forum for communication between the CEO, the Chief Financial Officer and the external auditor.
7. Hold a Committee members-only session with the external auditors
8. Periodically review the appointment, terms of engagement and remuneration of the external auditor

Internal controls and internal audit

9. Ensure that adequate financial controls are in place for recording and controlling ANMAC's financial transactions. This will include reviewing and considering any recommendations and comments made by the auditors.
10. Ensure that internal control frameworks are sound and effective.
11. Review Board policies that fall within this Committee's purpose, including the CEO's financial delegations and the procurement policy. Make recommendations to the Board as required
12. Approve and oversee internal audits of ANMAC as appropriate
13. Review the outcomes of all internal audit investigations and ensure appropriate recommendations are implemented by Management

Risk management

14. Ensure ANMAC's risk management framework is sound and effective.
15. Review strategic risks identified and provide feedback on the mitigation strategies implemented by management
16. Review and oversight ANMAC insurance coverage, including the Directors and Officers and Professional Indemnity insurance, and ensure it meets the organisation's needs.
17. Ensure that ANMAC has appropriate processes or systems in place to capture and effectively investigate fraud related information
18. Review the effectiveness of the system for monitoring ANMAC's compliance with relevant legislation, including employment, WH&S, privacy, GST, and contracts

Reporting to Ahpra

19. Review documents and agreements relating to external stakeholders (such as AHPRA) as appropriate and make recommendations to the Board as appropriate.

Administration

20. Ensure that conflict of interests are appropriately managed
21. Review the Committee's Terms of Reference and annual work plan
22. Review the Committee's performance for the year

Structure and Composition of the Committee

Membership

All members of the Committee must be non-executive Directors of the Board. The minimum number of members is three and the maximum number is five.

Expertise

At least one member of the Committee must be able to demonstrate a significant understanding of financial and risk management as relevant to ANMAC.

Appointment

The Board appoints, replaces or removes members to and from the Committee and reviews the composition of the Committee at least annually.

Chair

The Board will appoint a Chair of the Committee and that person cannot also be the Chair of the ANMAC Board. The Board reviews the appointment of the Chair annually.

If the Chair is absent from a meeting and no acting Chair has been appointed, the members of the Committee present at the meeting have authority to choose one of their number to be Chair for that particular meeting.

Operation of the Committee

Secretariat support

Secretariat support to the Committee is provided by the Company Secretary. All records of the Committee, including the agendas, minutes and all reports and recommendations, are prepared and kept by the Office of the CEO.

Frequency of meetings

The Committee may meet as frequently as necessary to undertake its role effectively and, in any event, at least four times per year.

Notice for meetings

The Chair of the Committee may call a meeting of the Committee if required by any Committee member, the Chair of the Board, the CEO, or any member of the Board. A notice of each meeting confirming the date, time, venue and agenda will be provided to each member of the Committee as soon as practicable prior to the meeting date. Committee meetings may be held using any technology consented to by all Directors.

Agenda and minutes

The Company Secretary will coordinate with the Chair of the Committee to draft and prepare the agenda for the Committee meeting. The Company Secretary will also coordinate with the Chair of the Committee to ensure that the minutes of the meeting are promptly drafted and distributed to Committee members as soon as practicable after each meeting. The agenda for each meeting includes a standing item for Committee members to approve the minutes of the previous Committee meeting.

Meeting Attendance and Participation

Committee members must commit the time necessary to understand the issues, participate vigorously and respectfully in debate and are genuinely committed to the role and functions of the Committee.

Any Director of the Board and any invitee of the Committee may attend and speak at a Committee meeting but are non-voting attendees.

The CEO, the CFO and the Company Secretary attend all Committee meetings but are non-voting attendees.

Quorum for meetings

The quorum for the Committee shall be no less than two members of the Committee.

Committee member interests

Members of the Committee must declare any actual or perceived conflict of interest they may have with any agenda item at the commencement of each meeting. The Committee will determine the appropriate way to manage the conflict and record their decision in the minutes of the meeting.

Formal mechanisms for reporting key matters to the Board

If any matter raised in a Committee meeting needs to be brought to the attention of the Board Chair and/or the full Board immediately, the Chair of the Committee will report the issue following conclusion of the meeting. Otherwise, Committee recommendations or requests to the Board will be included in the appropriate section of the next Board meeting agenda. The approved minutes of the Committee meetings are included in the papers for the next Board meeting.

Review of the Committee

The Committee will perform an annual review of its performance and the Terms of Reference for the Committee. Following any review, the Committee may make recommendations to the Board, as necessary. The Board will evaluate the performance of the Committee as required.