

Finance, Audit and Risk Committee - Terms of Reference

Date of Issue: 26 August 2024

Finance, Audit and Risk Committee - Terms of Reference

Name of Document	Finance, Audit and Risk Committee - Terms of Reference
Description	The role of the Committee is to assist the Board by overseeing the Governance and Nominations processes of ANMAC. The responsibilities, membership and operations of the Committee are set out in these Terms of Reference.
Category	Finance, Audit and Risk Committee
Audience	ANMAC Committee Members and Directors
Status	Existing
Last Revised	August 2023
Next Review	August 2025
Amendment	<ul style="list-style-type: none"> Aligning to the template of Governance and Nominations Committee terms of reference to ensure consistency. Removing reference of "CFO" wherever used Addition of "out-of-session resolution sub-clause" Standardising leave of absence requirements across the Board and all committees.
Version Control	1.3

Endorsed by	Finance, Audit and Risk Committee	Date: 26 August 2024
Responsible Officer	Company Secretary & CEO	
Author	Company Secretary & CEO	

1. Purpose

The Finance, Audit and Risk Committee (the “Committee” or “FARC”) is established by the Australian Nursing and Midwifery Accreditation Council Limited (ACN 143 879 396) (ANMAC) Board (“the Board”) 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

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.

The ANMAC Board authorises the Committee, in accordance with its role, 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.

2. Responsibilities and Duties

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

2.1 General

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

2.2 Financial reporting

- i. 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.
- ii. Review the appropriateness of ANMAC’s financial reporting and ensure compliance with mandatory requirements.
- iii. Review ANMAC’s annual financial statements and provide advice to the Board regarding the signing of the Directors Declaration.

- iv. 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.
- v. Act as a forum for communication between the CEO, the Deputy Chief Executive Officer, the Finance Manager, the Company Secretary and the external auditor.
- vi. Hold a Committee members-only session with the external auditors, if required.
- vii. Periodically review the appointment, terms of engagement and remuneration of the external auditor.

2.3 Internal controls and internal audit

- i. 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.
- ii. Ensure that internal control frameworks are sound and effective.
- iii. Review Board policies that fall within this Committee's purpose. Make recommendations to the Board as required.
- iv. Approve and oversee internal audits of ANMAC as appropriate.
- v. Review the outcomes of all internal audit investigations and ensure appropriate recommendations are implemented by Management.

2.4 Risk management

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

2.5 Reporting to Ahpra

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

2.6 Administration

- i. Ensure that conflict of interests are appropriately managed.
- ii. Review the Committee's Terms of Reference and annual work plan.
- iii. Review the Committee's performance for the year.

3. Structure and Composition

3.1 Membership

The minimum number of members is three (3) and the maximum number is five (5).

3.2 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.

3.3 Appointment

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

3.4 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 or as required from time to time.

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.

4. Operation of the Committee

4.1 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.

4.2 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 face-to-face or by video or teleconference or out-of-session.

4.3 Out of session resolutions

The Committee may pass a resolution without a meeting being held if a majority of the total number of members sign a document containing a statement that they are in favour of the resolution set out in that document.

4.4 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 Committee members.

4.5 Agenda and minutes

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

4.6 Attendees

Members of the Committee are required to attend all Committee meetings. Any Director of the Board and any invitee of the Committee may attend and speak at a committee meeting. The CEO and the Company Secretary attend all Committee meetings. If a committee member cannot attend a meeting, either in person or by electronic means, they are required to advise the Chair or Company Secretary for leave of absence prior to the meeting. The Committee may, on application of a committee member, grant that member approval of the leave of absence from the committee, for a period determined by the Committee Chair. If an absence is likely to extend for three (3) consecutive meetings without leave of absence, the Committee recommends the Board to resolve that the Committee Member should cease to be a member.

4.7 Quorum for meetings

The quorum for the Committee shall be no less than two (2) members of the Committee.

4.8 Committee member interests

Members of the Committee must not participate in discussions and must not vote on any issues in respect of which there is an actual or perceived conflict of interest. The Committee will determine the appropriate way to manage the conflict and record their decision in the minutes of the meeting.

4.9 Formal mechanisms for reporting key matters to the Board

The approved minutes of the Committee meetings are included in the papers for the next Board meeting. The Chair of the Committee will report any findings and recommendations of the Committee to the Board after each Committee meeting or as appropriate.

5. 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.