

Finance Audit and Risk Management Committee

Terms of Reference

Table of Contents

1. Background	2
2. Purpose	2
3. Appointment of Committee.....	2
4. Authority	2
5. Membership Arrangements.....	2
6. Meetings	3
7. Responsibilities	4
8. Governance and Resources.....	5
9. Performance Review	5
10. Complaints	6
11. Review.....	6
12. Responsibility	6
13. Related Documents.....	6
14. Version Control	6

1. Background

Comm Unity Plus Services Ltd, trading as commUnity+ (commUnity+, or the Company), is a community-based organisation limited by guarantee and a registered charity with the Australian Charities and Not-for-Profit Commission (ACNC).

commUnity+ is:

- (a) governed by an elected, voluntary Board of Directors.
- (b) committed to the principles of good governance, and articulates this commitment through two key documents:
 - a. commUnity+ Constitution
 - b. commUnity+ Board Charter

Clause 25.3 within the Constitution, states the Board has the power to establish Committees and delegate some of its power to the Committee.

The commUnity+ Board has established a Finance, Audit and Risk Management (FARM) Committee.

2. Purpose

2.1 The purpose of the FARM Committee is to:

- (a) assist the Board in fulfilling its corporate governance and oversight responsibilities regarding:
 - financial management,
 - financial reporting,
 - internal and external audit, and
 - risk management and compliance
- (b) provide advice and make recommendations to the commUnity+ Board on these matters.

3. Appointment of Committee

3.1 The Board shall, at their first meeting following the Annual General Meeting (AGM), determine the members and the Treasurer (Chair) of the Committee until the next AGM.

4. Authority

4.1 The FARM Committee is a Committee of the Board of commUnity+ from which it derives its authority and to which it regularly reports.

4.2 The Board authorises the Committee to:

- (a) Investigate any matter within its Terms of Reference.
- (b) Seek information from any employee, volunteer, or contractor.
- (c) Obtain outside legal or other independent professional advice.
- (d) Make recommendations to the Board on any matters within its established responsibilities.

5. Membership Arrangements

5.1 Chairperson

- (a) The Chair of the Committee is the Board-elected Treasurer.
- (b) In the absence of the Chair of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

5.2 Membership

- (a) The Committee shall consist of at least three members of the Board.
- (b) The Chair of the commUnity+ Board of Directors (if they are not a member of the Committee) is invited to participate in all meetings of the Committee and other Board Committees.
- (c) External, independent persons may be appointed to the Committee by the Board.
- (d) The CEO attends all meetings of the Committee ex-officio and other members of management attend meetings of the Committee by invitation.
- (e) The Company Secretary will act as Secretariat for the meeting, managing the preparation of papers, agendas and minutes.
- (f) The Committee membership may be amended at any time by the Board.
- (g) Committee members may resign from the Committee at any time, in writing, addressed to the Chair of the commUnity+ Board of Directors.

5.3 Term and Casual Vacancies

The term of appointment to this Committee is to the first Board Meeting following the next AGM. The Board from among their members shall fill casual vacancies occurring in membership of the Committee.

6. Meetings

6.1 Frequency of Meetings

- (a) The meeting frequency of the Committee will be at the discretion of the Board but should be at least five times per year.
- (b) Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.
- (c) The Committee may meet in person or via videoconference.

6.2 Quorum and Committee Resolutions

- (a) The quorum for the Committee shall be a simple majority of members including at least one director.
- (b) The Committee shall reach decisions by a simple majority of those voting on the issue in question. If the numbers of votes for and against a certain proposal are equal, the Committee Chair shall have a casting vote.

6.3 Record of Meetings

- (a) The Committee shall ensure that an agreed written record of each of their meetings is forwarded to the Board in a timely manner.
- (b) Draft minutes of each Committee meeting are to be approved by the Committee Chair and circulated to all Committee members by the Company Secretary with the next meeting pack.
- (c) Minutes will be approved by the Committee at the next meeting.

6.4 Agenda and Papers

- (a) The agenda and supporting papers will be delivered to all Committee members and other attendees (if appropriate) by the Company Secretary at least one week before a meeting.

6.5 Reporting

- (a) The Committee is accountable to the Board of Directors.

- (b) Minutes of each Committee meeting will be provided to the Board at the next Board meeting as approved by the Chair of the Committee.
- (c) The Committee Chair shall regularly report to the Board on all matters relevant to the role and responsibilities of the committee.
- (d) The Committee Chair will report and make recommendations, as appropriate, to the Board after each Committee meeting on matters dealt with by the Committee.
- (e) When appropriate, the Committee will seek direction and guidance from the Board on finance, audit, and risk management and compliance.
- (f) The Committee shall ensure that the Board is made aware in a timely manner of the Committee's activity and any matters that may have significant impact upon the organisation.

7. Responsibilities

7.1 Financial Management and Reporting

- (a) Advise on financial policy issues, financial implications of new activities, or organisation's policy on charging for its services.
- (b) Set budget parameters, review draft assumptions and drafts of proposed budgets.
- (c) Make financial decisions, as authorised by the Board between meetings and reporting such decisions to the Board.
- (d) Develop Investment Policy or recommend key investment decisions to the Board, as appropriate.
- (e) Oversee financial planning and budgeting in consultation with the CEO and General Manager Shared Services and present budgets to the Board for approval.
- (f) Ensure accurate records of income and expenditure are maintained and adjusting financial forecasts as appropriate.
- (g) Monitor the financial performance of the organisation against budget and KPIs, (including capital budget and expenditure).

7.2 External audit

- (a) Discuss audit outcomes and recommendations with the auditors annually or whenever required.
- (b) Meet with Auditors independent of the CEO and management at least once a year.
- (c) Manage the selection of the external auditor, recommend their appointment to the Board and AGM, and review their services to the organisation.
- (d) Brief the external auditor on any internal control issues and identify matters for specific attention by the external auditor.

7.3 Internal audit

- (a) Ensure internal audit functions and financial controls are in place as per the commUnity+ Policy and best practices on internal controls for not-for-profit organisations.
- (b) Identify areas of possible risk for potential spot checks through internal scrutiny.

7.4 Risk Management

- (a) Review the effectiveness of business continuity planning.
- (b) Review the effectiveness of Occupational Health & Safety.
- (c) Monitor and advise the Board on adequate coverage of insurance policies.

- (d) Monitor and review the Information, Communications and Technology (ICT) Strategy, ensuring that infrastructure and systems are fit for purpose. This includes cybersecurity and data protection.
- (e) Monitor funding and service delivery contractual obligations.
- (f) Monitor and review the commUnity+ Risk Management Framework, ensuring that the organisation has an effective risk management system.
- (g) Monitor and Review the Risk Register with respect to financial risks and operational risks.
- (h) Manage and mitigate key financial and operational risk areas, including:
 - Management reporting,
 - Compliance with laws, regulations, standards and best practice guidelines,
 - Relevant business risks other than those dealt with specifically by other committees(s).
- (i) The Board may require the Committee to examine specific issues which are outside its normal terms of reference. The Committee may also identify specific issues and recommend to the Board that it be authorised to consider them.

7.5 Policy Development & Monitoring

- (a) Monitor and review policies related to the finance and ICT environment.

8. Governance and Resources

- 8.1 The Committee shall, via the Company Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as discussed and agreed by the Committee.
- 8.2 The Committee shall give regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its decisions.
- 8.3 The Committee shall have access to sufficient resources in order to carry out its duties and have the power to engage independent counsel and other professional advisers and to invite them to attend meetings.
- 8.4 Key work plan items include but are not limited to:
 - (a) Financial Audit
 - (b) Compliance and Funding Register
 - (c) Risk Register
 - (d) Business Continuity Plan
 - (e) Insurance coverage
 - (f) Financial Performance Review
 - (g) Budget assumptions, development and endorsement
 - (h) Funding submissions in alignment with strategic plan and delegations schedule

9. Performance Review

- 9.1 The Committee shall evaluate its own performance, composition and Terms of Reference at least once a year to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.
- 9.2 The Committee shall meet in a private session, with management present, at least once a year, to assess the effectiveness of management support for the Committee.
- 9.3 The Board will evaluate the performance of the Committee annually.

10. Complaints

10.1 The Committee shall establish and oversee procedures for the receipt, retention, and treatment of complaints received by the organisation. This shall cover accounting, internal accounting controls, or auditing matters, as well as the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

11. Review

Activities	Frequency
Review Terms of Reference	Annually

The Committee must regularly, and in any event no less than once every two years, review the Terms of Reference and any other charters, guidelines, and related governance documents of commUnity+ as may be in place from time to time and make any changes it determines to be necessary or desirable.

12. Responsibility

Level	Position
Authorisation	The Board
Responsibility for implementation	Committee Chair

The FARM Committee Chair is responsible for the implementation and review of this policy.

All Board members are responsible for adhering to all applicable clauses.

13. Related Documents

Legislation:	- Corporation Act
Organisational Documents:	- Constitution - Code of Conduct Policy - Delegation Policy - Board Policy Suite

14. Version Control

Version	Code Type	Change	Authorised	Date
5.0	N/A	Reviewed	Board	24 February 2022
6.0	TOR001	Reformatted to new template and reviewed fully	Board	17 April 2023
6.1	TOR001	Reviewed	Board	22 December 2023