



# **Audit, Finance and Risk Committee Charter**

**Little Athletics Association  
of Victoria Incorporated**

Version 1.4

Registration Number: A0003260D

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**AUDIT, FINANCE AND RISK COMMITTEE CHARTER****LITTLE ATHLETICS ASSOCIATION OF VICTORIA INC****Registration Number: A0003260D****SECTION 1 – TERMS OF REFERENCE****1.1 PURPOSE**

- (a)** The Audit, Finance and Risk Committee ("Committee") is a committee of the Board of Directors ("Board") of Little Athletics Association of Victoria Incorporated ("Association").
- (b)** The purpose of the Committee is to assist and advise the Board in fulfilling its statutory and fiduciary responsibilities to its members by providing an objective review of the effectiveness of:
  - (i)** external reporting of financial information;
  - (ii)** relationship with auditor(s) and their performance;
  - (iii)** operational and capital budget setting process;
  - (iv)** financial and investment performance;
  - (v)** risk management framework;
  - (vi)** internal control environment.
- (c)** The Committee oversees accounting, risk and compliance policies, financial reporting requirements, internal audit, external audit and statutory reporting requirements.
- (d)** The internal audit function may be outsourced to an external provider or undertaken by suitably qualified staff.
- (e)** It is not the responsibility of the Committee to conduct accounting, auditing or compliance reviews or risk management planning.

**1.2 MEMBERSHIP**

- (a)** The Committee shall consist of a minimum of three (3) and maximum of four (4) Directors of the Association.
- (b)** At least one of the Directors should also be a member of the Performance and Remuneration Committee to assist in ensuring a close working relationship between the two Committees.
- (c)** The members of the Committee must collectively possess the appropriate expertise and powers to perform their function.
- (d)** Appointment to the Committee will be for one (1) year or as otherwise determined by the Board.
- (e)** A quorum shall be the majority in numbers of Committee members who are Directors.
- (f)** The Chief Executive Officer ("CEO") and the Finance Manager are mandatory attendees to Committee meetings.
- (g)** The Committee may invite other parties to attend Committee meetings as the Committee sees fit.

**1.3 CHAIR**

- (a)** The Committee shall elect a Chair from one of its Director members.
- (b)** Where the Chair is absent from a meeting and has failed to appoint another Director to replace them as Chair for that meeting, the Committee may appoint any Director member of the Committee as Chair for that meeting.

## 1.4 FREQUENCY OF MEETINGS

- (a) The Chair will call a meeting of the Committee if so requested by the Board, the CEO or any member of the Committee.
- (b) The Committee shall meet as scheduled by the Board and as required.

## 1.5 SECRETARY

- (a) The CEO shall act as Secretary of the Committee.
- (b) Minutes of each Committee meeting shall be prepared by the Secretary.
- (c) Where the Secretary is absent from a meeting and has failed to appoint another Secretary to replace them for that meeting, the Committee may appoint a staff attendee as Secretary for that meeting.

## 1.6 AUTHORITY

- (a) The Committee has the authority to obtain all information necessary for the performance of its functions.
- (b) The Committee has the ability to consult independent experts where considered necessary to carry out its responsibilities providing it has sought and received Board approval.
- (c) Matters arising for determination at Committee meetings shall be decided by a majority of votes of Directors present and voting and any such decision shall for all purposes be deemed a decision of the Committee.

## 1.7 FUNCTIONS

### 1.7.1 Audit

- (a) The Committee has the following audit functions:
  - (i) review the effectiveness of financial reporting;
  - (ii) oversight of the internal and external auditors.

### 1.7.2 Finance

- (a) The Committee has the following finance functions:
  - (i) review the draft annual budgets;
  - (ii) assess other financial related matters delegated to the Committee by the Board from time to time, which may include:
    - proposals for capital expenditure and investment;
    - identification and advice on revenue generating and cost saving initiatives.

### 1.7.3 Risk and compliance

- (a) The Committee has the following risk and compliance functions:
  - (i) review the effectiveness of the risk management framework;
  - (ii) review the effectiveness of internal controls;
  - (iii) assess the extent of compliance with key policies and procedures.

## 1.8 RESPONSIBILITIES

### 1.8.1 Audit

- (a) The Committee has the following audit responsibilities:
- (i) appointment of external and internal auditors;
  - (ii) where deemed appropriate, recommending replacement of the external and/or internal auditors;
  - (iii) review the annual internal and external audit plans and recommend to the Board the proposed audit fee structure;
  - (iv) review the audited financial statements and any reports, declarations and/or opinions which accompany the financial statements in order to recommend their approval by the Board;
  - (v) receive and provide oversight of all reports prepared and issued by internal auditors;
  - (vi) annually review the adequacy, effectiveness and independence of the external and internal auditors and their compliance with their terms of engagement;
  - (vii) assess the reliability and integrity of accounting policies and disclosure practices;
  - (viii) oversight of actions or investigations undertaken in response to complaints and "whistleblowing" action falling within the Whistleblower Policy.

### 1.8.2 Finance

- (a) The Committee has the following finance responsibilities:
- (i) review the draft operating and capital budgets and cash flow forecasts and make recommendations to the Board;
  - (ii) monitor the financial performance during the year against budget and key performance drivers;
  - (iii) review and make recommendations on proposals for capital investments where Board approval is required.

### 1.8.3 Risk and compliance

- (a) The Committee has the following risk and compliance responsibilities:
- (i) ensure the risk management framework effectively identifies all material risks;
  - (ii) ensure adequate risk management policies and procedures have been designed and implemented to manage material risks;
  - (iii) ensure a regular program of audits is undertaken to test the adequacy and effectiveness of compliance with prescribed policies, systems, processes and applicable laws and regulations;
  - (iv) evaluate the structure and adequacy of the Business Continuity Plan and Disaster Recovery Plan;
  - (v) evaluate the structure and adequacy of insurances policies on an annual basis;
  - (vi) ensure appropriate remedial action is undertaken to redress areas of weakness.

## 1.9 REPORTING

- (a) Proceedings of all meetings are to be minuted and signed by the Chair of the Committee. Minutes of Committee meetings will be provided to the subsequent Board meeting.
- (b) An action tracker will be maintained for all Committee action items.

## SECTION 2 – CHARTER ADMINISTRATION

### 2.1 REVIEW AND APPROVAL

Owner	CEO
Effective Date	17 April 2018
Board Approval	17 April 2018
Date of Last Review	17 April 2018
Frequency of Review	Bi-annually
Next Scheduled Review	June 2021
Regulator (if applicable)	N/A
Compliance Mechanism	N/A
Board Committee Review	Governance Committee
Approval Body	Board
Related Policies/Charters	Board Charter Whistleblower Policy
Supporting Procedures/ Guidelines	Business Continuity Plan Disaster Recovery Plan

## SECTION 3 - DOCUMENT HISTORY

### 3.1 VERSION CONTROL

Date	Version #	Action Taken / Updates
13 September 2017	1.0	Initial draft for discussion
8 February 2018	1.1	Incorporate feedback from Manager Strategic Projects, Vicsport as part of LAVic Governance Review Project
28 March 2018	1.2	Incorporate feedback from Board
17 April 2018	1.3	Finalised and approved
17 December 2019	1.4	Reviewed and approved.