

THNSW Board Subcommittee: Finance, Risk & Audit (FR&AC)

Terms of Reference (ToR)

<p>Purpose</p>	<p>To provide governance support and strategic advice to the THNSW Board in relation to THNSW's:</p> <ol style="list-style-type: none"> (1) financial position and performance, including annual financial statements, annual budgets and insurances, (2) business (non-safety) risk management position and performance, including THNSW's Risk Appetite Statement (RAS) and Business (non-safety) Risk Register (BRR), and (3) its external accountability and compliance requirements as apply to the above areas.
<p>Scope</p>	<p>The FR&AC will:</p> <ul style="list-style-type: none"> • play an important role in guiding THNSW's continuous improvement and governance in relation to its financial management and business (non-safety) risk management, • oversee and monitor: <ul style="list-style-type: none"> - development, implementation and regular review of THNSW's Risk Appetite Statement (RAS), Business Risk Register (BRR) (distinct from THNSW's Safety Risk Register (SRR)), and appropriate risk management policy, internal frameworks and controls, - ongoing proactive identification of current, emerging and potential future business (non-safety) risks and their subsequent risk management (including controls), - development, implementation and regular review of appropriate financial and accounting policy in accordance with Australian Accounting Standards and ACNC requirements and/or relevant guidelines, internal frameworks and controls, - annual external audit and preparation of THNSW's annual financial statements, and implementation of recommendations arising from the external audit as agreed, - external auditor performance, including that the FR&AC Chair can access the external auditor directly, - preparation of the annual budget as part of the annual business planning process and aligned to THNSW's Strategic Plan for approval by the THNSW Board, - preparation of timely quarterly BRR reporting and quarterly financial reporting to the THNSW Board, • provide support and guidance to the THNSW Management team if requested as to matters within the purview of the FR&AC, • be an exemplar of Board and Management collaborating for the long-term future of THNSW.

Operation of the FR&AC

Meetings	<p>Meetings will be held as frequently as required, ideally quarterly, and not less than three (3) meetings to be held each financial year.</p> <p>The FR&AC Chair and CEO are jointly responsible for setting the annual schedule of meetings. Extraordinary meetings may be set as and if required.</p> <p>Meetings ideally will be held prior, to the Board Meeting of the same month, subject to the key business activity(s) for that meeting.</p> <p>Each meeting must be attended by at least one (1) THNSW Board Director, which can be the FR&AC Chair.</p> <p>A quorum will consist of a minimum of three (3) members present, comprising of at least one (1) THNSW Board Director.</p> <p>If a quorum is not achievable, the meeting may be adjourned and/or rescheduled or carried over to the next scheduled meeting.</p> <p>The FR&AC Chair may appoint any FR&AC member or another THNSW Board Director who is not a member of the FR&AC to chair a specific meeting in their absence.</p>
Agendas, Briefing Notes & Minutes	<p>The FR&AC Chair and FR&AC Secretary will maintain records of Agendas, Briefing Notes and Papers, Minutes, and tracking of agreed actions.</p> <p>The FR&AC Chair and FR&AC Secretary will circulate the proposed Agenda, any Briefing Notes and/or other relevant materials to Members no later than four (4) calendar days prior to the meeting.</p> <p>The FR&AC Chair and Secretary will endeavour to distribute draft Minutes and updated actions status list within seven (7) calendar days of a meeting so that Members and Management have sufficient time to confirm them prior to the next meeting and also to progress those actions for which they are responsible.</p>
Reporting	<p>Reporting to the THNSW Board will be via the Minutes of meetings.</p> <p>The FR&AC Chair may provide verbal updates and/or additional Briefing Notes to the Board jointly with the CEO, as/if required.</p>
Review	<p>The FR&AC Chair will lead a biennial (two-yearly) self-review of the performance of the FR&AC, as well as of its members, to ensure ongoing effectiveness and fit-for-purpose/contribution of the FR&AC.</p> <p>Any resulting proposed material changes to these Terms of Reference will be recommended to the THNSW Board jointly by the FR&AC Chair and CEO for the Board's determination.</p>

Composition of the FR&AC

Role	Description	Appointment & Tenure
Chair	<ul style="list-style-type: none"> • is a strategic governance role, reporting to the Chair of the THNSW Board and the THNSW Board, • is a current THNSW Board Director, • is appointed by the Chair of the THNSW Board, • acts as the single point of contact on behalf of the Board for leading and overseeing the FR&AC, • must have an appropriate level of working knowledge of the key areas within the purview of the purpose and scope of the FR&AC, • has the experience, skills and/or qualifications to successfully chair and lead the FR&AC, • determines the composition and size of the FR&AC to meet its needs during any given time period, • works closely with the CEO to set the annual work program for the FR&AC. 	<ul style="list-style-type: none"> • appointed initially for one (1) term of up to three (3) years or the duration of their remaining current term as a Director at the time of their appointment as FR&AC Chair, • appointment is reviewed and reconfirmed, or otherwise, annually by the Chair of the Board at a Board Meeting as soon as practicable following each year's AGM, • may be appointed and reappointed up to a maximum of six (6) consecutive years as the FR&AC Chair, • ideally will have served one (1) or two (2) consecutive terms as a member of the FR&AC preceding appointment as Chair, • a previous FR&AC Chair may again in the future be appointed as the FR&AC Chair after an appropriate period of time since completion of their previous term serving as Chair of the FR&AC. <p><i>Note: an interim appointment may be made by the Chair of the THNSW Board, or the Chair of the Board may be appointed on an interim basis by the THNSW Board, if required from time to time until the vacancy is filled.</i></p>
Member(s)	<ul style="list-style-type: none"> • are recommended by the FR&AC Chair, and once ratified by the THNSW Board, then may be appointed by the FR&AC Chair, • may be a current THNSW Board Director and/or the (Volunteer) Company Secretary, • may be an adult THNSW Member or an adult non-THNSW Member, may or may not actively volunteer in other areas of the organisation, • have the expertise (e.g., an SME) and/or an appropriate level of working knowledge of a key area(s) within the purview of the purpose and scope of the FR&AC, • must be current and/or up-to-date in their knowledge, skills, experience and/or qualifications that apply to their productive participation as a member of the FR&AC, • are able to commit to the requirements of the FR&AC, including the expectations of the FR&AC and its members, as well as the time required and their availability, • the recruitment, selection and appointment process for members will be determined by the FR&AC Chair in consultation with the CEO. 	<ul style="list-style-type: none"> • THNSW Board Director membership will be limited to no more than one (1) current Board Director in addition to the FR&AC Chair, • a Board Director may be appointed initially for one (1) term of up to three (3) years or the duration of their remaining current term as a Director at the time of their appointment as a member, • the Board Director who served as the immediate past FR&AC Chair may be appointed as a member for one (1) term of up to three (3) years following the completion of their term as Chair in addition to the above limit on current Board Directors serving as members, • non-Board Director members similarly may be appointed or reappointed for a term length of up to three (3) years, • all members may be appointed and reappointed up to a maximum of six (6) consecutive years as a member, • a previous FR&AC member may again in the future be appointed as a member of the FR&AC after an appropriate period of time since completion of their previous term (however not less than 12 months), • performance will be reviewed annually by the FR&AC Chair,

Role	Description	Appointment & Tenure
		<ul style="list-style-type: none"> • for continuity of knowledge and operation of the FR&AC, members ideally will be appointed, and therefore changeover, in staggered or offset terms or years amongst the members of the FR&AC, • where a member steps down prior to the end of their appointed term, that vacancy may be filled up to the end of its previous term to maintain separation of FR&AC members' appointed terms.
Independent Member(s)	<ul style="list-style-type: none"> • are “truly independent” and able to bring a particular area(s) of expertise and objectivity, who are external to THNSW, its Membership (i.e., are not THNSW Members), and to its immediate key stakeholder management relationships may be appointed to the FR&AC by the FR&AC Chair, • must meet the same Member(s) expectations and requirements as above, • the recruitment, selection and appointment process for independent members will be determined by the FR&AC Chair in consultation with the CEO. 	<ul style="list-style-type: none"> • appointment is on an unpaid basis, • independent members may be appointed for a term length of up to three (3) years, • all independent members may be appointed and reappointed up to a maximum of six (6) consecutive years as a member, • performance will be reviewed annually by the FR&AC Chair, • for continuity of knowledge and operation of the FR&AC, ideally independent members will be appointed, and therefore changeover, in staggered or offset terms or years amongst the members of the FR&AC, • where a independent member steps down prior to the end of their appointed term, that vacancy may be filled up to the end of its previous term to maintain separation of FR&AC members' appointed terms.
CEO	<ul style="list-style-type: none"> • has overall accountability for implementation and day-to-day operation of THNSW's internal risk management, compliance frameworks and controls and governance controls, aligned to THNSW's agreed strategic directions and annual business plans and budget, as delegated by the THNSW Board, • will work closely with the FR&AC Chair to set the annual work program for the FR&AC. 	<ul style="list-style-type: none"> • appointment is on the basis of their role as CEO.
Responsible Senior Functional Manager	<ul style="list-style-type: none"> • has specific accountability for implementation and day-to-day operation of the internal risk management, compliance frameworks and controls and governance controls, aligned to THNSW's agreed strategic directions and annual business plans and budget, within the purview of the FR&AC, and as delegated by the THNSW Board and the CEO. 	<ul style="list-style-type: none"> • appointment is on the basis of their role as Head of Finance & Corporate Resources, • typically will be delegated responsibility for the Secretariat function.
Attendance – by standing invitation	<p>Volunteer Company Secretary (V/Co Sec), if not a member, is a Standing Invitee in a governance capacity and to provide guidance, advice, and particular input as needed or requested.</p>	

Role	Description	Appointment & Tenure
	Other THNSW Board Directors , if not a member, are encouraged, however not required, to attend at least one (1) meeting per financial year.	
Attendance – by ad hoc/ special invitation	The FR&AC Chair may call upon or invite specific persons to attend to provide particular expertise or other input to the benefit of the SC/WC from time-to-time.	
	External Auditor(s) may be required or asked to, or ask to, attend specific meetings in relation to annual auditing, potential audit-related matters or potential matters requiring advice which may also include in camera discussions.	
Secretariat	Nominated and provided by the CEO.	

FR&AC Desired Competency (Knowledge, Skills, Experience & Qualifications) Matrix

Accounting/Finance e.g., CPA	Risk/Risk Management e.g., AICD, RMIA	Legal and/or Corporate Law
Financial Auditing	Managing a business/enterprise	Governance e.g., AICD
Commerce e.g., MBA	Board Director of another organisation or recently completed AICD Board Director	Finance, Risk, or Audit Board Subcommittee Member for another organisation

Other Considerations include:

- recency of qualifications and/or experience, i.e., must be within (3) years
- professional memberships, e.g., CPA, IPA, RMIA (Risk Management Institute of Australasia), AICD
- NfP / charity organisation environment knowledge / understanding
- Relevant management and corporate knowledge / experience, e.g., heritage, legal, financial, project management, museum, attraction, private sector.

Expectations, Authority & Decision Making of all THNSW Board Subcommittees/Working Groups and their respective Members

Expectations, Authority & Decision Making

The THNSW Board sets and approves the Terms of Reference for any Subcommittee or Working Group that it appoints and retains ultimate responsibility for all functions and activities delegated to that Subcommittee or Working Group.

The term 'Subcommittee' (SC) is used to refer to those established by the Board that are intended to be standing until otherwise determined by the Board, whereas the term 'Working Group' (WG) is used to refer to those established for a fixed duration or for a specific function or activity until completed.

The SC/WG has no executive or decision-making powers and is always responsible and accountable to the THNSW Board.

The THNSW Board authorises the SC/WG to carry out those activities as set out in this Terms of Reference (ToR). The Board may additionally authorise the carrying out of specific projects or other reasonable activities as the Board may otherwise determine from time to time.

All Members of a SC/WG are expected to carry out their role and the activities of the SC/WG honestly, fairly and diligently, in accordance with and abiding by the law, and THNSW's Constitution, Code of Conduct and all THNSW policies and procedures, and are required to:

- act with the degree of care and diligence that a reasonable person might expect to show in their role on the SC/WG, providing sound and impartial judgements at all times,
- act in good faith in the best interests of the company for a proper purpose, including avoid conflicts of interest, and to disclose any actual, potential or perceived conflict of interest and abide by the determination as to how the conflict is to be managed,
- not to improperly use their position or role on, or the information they gain in the course of their position or role on the SC/WG to gain an advantage for themselves, someone else, or to the detriment to THNSW, and
- treat the discussions of the SG/WG and information provided to them as confidential whether or marked or described as confidential including upon leaving the SC/WG.

All SCs/WGs are expected to take on a proactive role, supporting continuous improvement in THNSW's overall governance, risk management and its external accountability requirements within the purview of their respective purpose and scope and aligned to THNSW's agreed strategic directions and annual business plans and budget.

Any SC/WG as a collective is responsible for making sound, objective, impartial, appropriate and implementable recommendations for either THNSW Board or Management decision, depending on the specific nature/scope of the recommendation being made.

All Members of a SC/WG are expected to make themselves available as required to prepare for, attend and participate in meetings; apply good analytical skills, objectivity and good judgement; abide by the relevant ethical codes that apply to THNSW; and express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of constructive enquiry.

All SCs/WGs and their members are expected to be an exemplar of THNSW Board and Management collaboration for the betterment of THNSW.

(Additional reference: Clause 22.1(a) of the Constitution of THNSW)