Bowls ACT Incorporated

Finance, Audit and Risk Committee Charter

The purpose of this charter is to clearly define the respective roles, responsibilities, and authorities of the Board's Finance, Audit and Risk sub-committee.

1. Foundation

1.1. Purpose

The Finance, Audit and Risk Committee (the **Committee**) appointed by the Board assists the Board in fulfilling its oversight responsibilities relating to the:

- preparation and integrity of Bowls ACT's annual budget, financial accounts and statements
- review of the organisation's budget and quarterly financial performance or as otherwise required
- review of business cases outside of approved budget
- internal controls, policies and procedures that Bowls ACT uses to identify and manage business risks
- Bowls ACT's insurance activities
- qualifications, independence, engagement, fees, and performance of Bowls ACT's Accounts Reviewer
- External Accounts Reviewer's annual Accounts Review of Bowls ACT's financial statements
- Bowls ACT's compliance with legal, regulatory requirements and compliance policies.

The existence of the Committee does not imply the fragmentation or diminution of the role of the Board to ensure the integrity of Bowls ACT's financial reporting.

1.2. Authority

The Board has authorised the Committee, within the scope of their duties and responsibilities set out in this charter to:

- perform the activities required to address its responsibilities and make recommendations to the Board
- resolve any disagreement between management and the external Accounts Reviewer, with areas of significant disagreement advised to the Board
- select, engage, and approve fees for any professional advisers that the Committee may require to carry out its duties
- require the attendance of any of Bowls ACT's staff members at meetings as appropriate; and
- have unrestricted access to management, employees and information it considers relevant to its responsibilities under this charter.

1.3. Membership

The Committee appointed by the Board shall comprise at least three Members.
The Committee Members shall be:

- "financially literate" as defined by the Board (i.e. able to read and understand financial statements and challenge information presented in Committee meetings); and
- have a least one Member who shall be a member of the Institute of Chartered Accountants, the Institute of Public Accountants or CPA Australia

Committee member rotation is encouraged.
The Company Secretary or their designate is the Committee Secretary.

1.4. Chair

Following consultation with the Directors, the Board Chair proposes the Committee Chair for approval by the Board.

The Committee Chair must not be the Chair of the Board.

Should the Committee Chair be absent from a meeting, the Committee Members present must appoint a Chair for that particular meeting, who should not be the Chair of the Board.

1.5. Education

The Board is responsible for providing new Committee members with an appropriate induction program and ongoing educational opportunities.

1.6. Meetings

The Committee must meet at least four times per year and participants may attend by video conference (including Skype) and/or teleconference.

The Committee Chair, any Committee Member or the Committee Secretary may call a meeting of the Committee.

1.7. Meeting Attendance

Any person may be invited by the Committee Chair to attend meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation shall be issued to:

- Chief Executive Officer
- Chief Financial Officer/Finance Manager
- the External Accounts Reviewer

1.8. Quorum and Voting

A quorum must consist of two members of the Committee.
The Committee Chair shall not have a second or casting vote.

1.9. Minutes

The Committee Secretary or delegate must prepare the minutes of the Committee within seven (7) working days. After the Committee Chair has given preliminary approval, the draft minutes are circulated to all Committee members and the other Board Directors.

1.10. Reviews

The Committee will review at least annually this Committee charter and recommend to the Board for approval any appropriate amendments.

2. Duties and Responsibilities

In assisting the Board in fulfilling their responsibilities, the duties of the Committee shall be:

2.1. Assessment of financial information

- Conduct or authorise investigations into any matters within its scope of responsibility, including retention of independent external advisors as it considers necessary.
- Review any significant accounting and reporting issues, including professional and regulatory announcements and to understand their effect on the Organisation's financial statements.
- Review the annual financial statements of Bowls ACT which require approval of the Board and discussion of the financial statements with the External Accounts Reviewer and management before submission to the Board.
- Review, at least annually, the written attestations provided by the Executive Officer.
- Review, for potential conflicts of interest situations, and pre-approve all related party transactions on an on-going basis.

2.2. External Accounts Reviewer

- Recommend to the Board the appointment, evaluation, and dismissal of the external Accounts Reviewer, including independence matters.

- Review and approve the external Accounts Reviewer's proposed Accounts Review plan and review approach, including materiality levels.
- Review and agree on the terms of engagement and the Accounts Reviewer fees for the Accounts Reviewer prior to the commencement of each Accounts Review.
- Review the external Accounts Reviewer's summary management report, detailing the results and significant findings from the Accounts Review, and management responses.
- Meet regularly with the external Accounts Reviewer, without management present.

2.3. Business Risks and Internal Controls

- Recommend the approval of Bowls ACT's risk management policy to the Board and oversee the risk management system and its resourcing.
- Recommend to the Board and monitor Bowls ACT's risk profile developed by management, covering the principal enterprise-wide risks, including strategic, operational, legal and financial.
- Review the operational effectiveness of the policies and procedures to risk and Bowls ACT's internal control environment.
- Review the effectiveness of Bowls ACT's insurance activities.

2.4. Compliance

- Review the effectiveness of Bowls ACT's approach to achieving compliance with laws, regulations, industry codes and Bowls ACT's policies.
- Review any correspondence from regulatory bodies regarding significant issues.
- Ensure that there is a process for the Board Chair and Committee Chair to be immediately informed of any issues of significant non-compliance or litigation; when implemented.

2.5. Reporting

- The Committee Chair will report to the Board on the Committee meetings regarding all relevant matters and appropriate recommendations in a written report (with supporting material) for noting or approval by the Board.
- The Committee Chair will ensure that the Board Chair and the Board are immediately informed of matters that may impact significantly on the financial condition or reputation of the Organisation.

Finance, Audit and Risk Committee Annual Agenda

	Scheduled meetings			
Structure and skills				
Review Finance, Audit and Risk Committee charter and Annual Agenda				
Assess Committee's independence, financial literacy, skills and experience				
Establish number of meetings for forthcoming year				
Committee Chair to establish meeting agenda and required attendees				
Enhance financial literacy - update on current financial events				
Perform an evaluation assessment on the Committee's and individual Member's performance				
Assessment of financial information				
Review significant accounting and reporting issues				
Review financial matters affecting the year end				
Review and approve annual financial statements				
Review attestations of the Executive Officer for Australian reporting standards				
Review with Management its evaluation of Bowls ACT's internal control structure and procedures for financial reporting, including any significant deficiencies or material weaknesses				
Review and discuss any reports submitted by the External Accounts Reviewer detailing any instances of fraud or possible illegal acts on the part of Senior Management				
Review process, policies and procedures for continuous disclosure obligations				
Review conflicts of interest and related party transactions				
External Accounts Reviewer				
Recommend appointment and review performance				
Revise plan and scope of Accounts Review work and any changes thereto				
Approve Accounts Review fees and terms of engagement				
Consider policy in relation to non-review services				
Review and pre-approve non-review services				
Consider objectively the independence of the External Accounts Reviewer, including obtaining written confirmation of their independence				
Review the External Accounts Reviewer's report and findings and progress on Management actions				
Discuss any significant changes in accounting standards				
Discuss appropriateness of accounting policies, estimates and judgments				
Discuss the External Accounts Reviewers' view on control environment, including fraud risk management				
Resolve any disagreement between Management and the External Accounts Reviewer in the financial reporting and report any significant issues to the Board				
Discuss issues with the External Accounts Reviewer in the absence of Management				
Review report from the External Accounts Reviewer on quality control procedures				
Review the External Accounts Reviewer's process for rotation				

Business Risk and Internal Controls				
Recommend the approval of the risk management policy to the Board				
Review and monitor business risks and internal controls and report to the Board				
Ensure executive remuneration risk and controls are linked to the overall risk profile				
Review insurance activities				
Reporting				
Maintain minutes and report to the Board				