



# Audit, Risk & Compliance Committee Charter



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## 1. Introduction

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- 1.1 The Board of Touch Football Australia Limited (**TFA**) has established an Audit, Risk & Compliance Committee (**Committee**) pursuant to clause 26 of TFA's Constitution.
- 1.2 This Charter sets out the purpose, scope and responsibilities of the Committee and should be read in conjunction with TFA's Board Charter.

## 2. Objectives and Purposes

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- 2.1 The objective and purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities relating to the:
  - (a) preparation and integrity of TFA's financial accounts and statements;
  - (b) internal controls, policies, and procedures that TFA uses to identify and manage risks;
  - (c) TFA insurance activities;
  - (d) qualifications, independence, engagement, fees, and performance of TFA's external auditor;
  - (e) external auditor's annual audit of TFA's financial statements;
  - (f) risk management processes of TFA; and
  - (g) TFA's compliance with legal, regulatory requirements and compliance policies.
- 2.2 Specifically, the Committee's role is to report to the Board and provide appropriate advice and recommendations on matters relevant to this Charter in order to facilitate decision making by the Board.

## 3. Role of the Committee

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- 3.1 The Board has authorised the Committee, within the scope of their duties and responsibilities set out in this Charter to:
  - (a) perform the activities required to address its responsibilities and make recommendations to the Board
  - (b) resolve any disagreement between management and the external auditor, with areas of significant disagreement advised to the Board;
  - (c) select, engage, and approve fees for any professional advisers that the Committee may require to carry out its duties;
  - (d) require the attendance of any TFA manager or staff member at meetings as appropriate;
  - (e) have unrestricted access to Management, employees, and information it considers relevant to its responsibilities under this Charter; and
  - (f) perform other such other functions as the Board may from time to time assign to the Committee.

## 4. Responsibilities of the Committee

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

### 4.1 Review of financial statements

- (a) Exercising proper diligence in reviewing financial statements and making recommendations to the Board in relation to them. In doing so, the Committee will

consider:

- (i) whether the proposed financial statements and notes represent a true and fair view of the financial position and performance of TFA;
- (ii) the appropriateness and consistency of, and any changes to, accounting policies and practices adopted;
- (iii) compliance with applicable accounting standards, and other legal requirements and the appropriateness of estimates and judgements, taking into account the views of the external auditor;
- (iv) decisions requiring a major element of judgment;
- (v) the effect of any significant or unusual transactions, how they are disclosed, and the methods used to account for such transactions where different approaches in accounting are possible;
- (vi) material audit adjustments;
- (vii) solvency and the going concern assumptions;
- (viii) the clarity and adequacy of disclosures made in the financial statements, including whether the reports are accurate, balanced and understandable;
- (ix) the management representation letter to the external auditors; and
- (x) all material information presented with the financial statements.

#### 4.2 External Auditor

- (a) Recommend to the Board the appointment, evaluation, and dismissal of the external auditor, including independence matters.
- (b) Review and approve the external auditor's proposed audit plan and audit approach, including materiality levels.
- (c) Review and agree on the terms of engagement and the audit fees for the external auditor prior to the commencement of each audit.
- (d) Review the external auditor's summary management report, detailing the results and significant findings from the audit, and management responses.
- (e) Meet as regularly as it considers necessary with the external auditor, without Management present.

#### 4.3 Risk Management

- (a) Review the Risk Management Framework (**Framework**) (at least annually) to confirm it continues to be both sound and effective, and assess and make recommendations to the Board as to the appropriate level of financial and non-financial risk that TFA should be prepared to accept in the execution of its strategic and business objectives;
- (b) review (at least annually) and recommend any changes to the Risk Management Policy to the Board for approval;
- (c) satisfy itself that TFA has appropriate resources and effective systems to:
  - (i) identify, assess, treat and report risks material to the achievement of TFA's strategic plans and objectives;
  - (ii) assess TFA risk appetite statement (as set by the Board) and tolerance is aligned with the objectives of TFA;
  - (iii) ensure that the Framework remains relevant, contemporary and in compliance with all applicable laws, regulations and industry standards,

- (d) review and make recommendations to the Board regarding TFA's risk profile as necessary with appropriate consideration given to:
  - (i) material risks, including corresponding controls and planned treatments to either avoid, accept, mitigate or transfer the risk;
  - (ii) trends or changes associated with known material risks or emerging risks which are yet to be fully analysed or assessed; and
  - (iii) the risk management culture and maturity of TFA,
- (e) review and approve TFA's strategy, standards and scope in relation to insurance.

#### **4.4 Internal Controls**

- (a) Review the operational effectiveness of the policies and procedures to risk and TFA's internal control environment.
- (b) On behalf of the Board, regularly review the Delegation of Authority Matrix and provide any recommended changes to the Board for its approval, noting that the Board owns the Delegations of Authority.

#### **4.5 Management accounts, budgets and forecasts**

- (a) To ensure the integrity of financial information presented to the Board, the Committee shall review Management accounts and processes including budgets and forecasts.

#### **4.6 Compliance**

- (a) Review the effectiveness of TFA's approach to achieving compliance with laws, regulations, industry codes and TFA policies.
- (b) Review any correspondence from regulatory bodies regarding significant issues.
- (c) Ensure that there is a process for the Board Chairperson and Committee Chair to be immediately informed of any issues of significant non-compliance or litigation; when implemented
- (d) The Committee will have oversight of and receive and review regular reports from management on material complaints, work, Health, and Safety (WHS) incidents, legal and regulatory updates; litigation and whistleblower matters in accordance with whistleblower legislation.

#### **4.7 Reporting**

- (a) 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.
- (b) The Committee Chair will ensure that the Board Chairperson and the Board are immediately informed of matters that may impact significantly on the financial condition or reputation of TFA.

### **5. External Advice**

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- 5.1 The Committee has access to internal and external resources, and may seek the advice of the external auditor, solicitors or such other independent advisers, consultants or specialists as to any matter pertaining to the powers or responsibilities of the Committee, where the Committee considers such advice necessary or appropriate, provided that reasonable enquiries are made to ensure there are no conflicts of interest.

## **6. Membership**

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### **6.1 Number of Members**

- (a) The Committee shall be appointed by the Board and shall consist of not less than three (3) and not more than five (5) members, two of whom must be Directors of TFA.
- (b) In appointing the Committee, the Board will have regard to the desirability for diversity amongst the members of the Committee, subject always to the technical requirements necessary for membership of the Committee.

### **6.2 Term of Office**

- (a) Members of the Committee who are also Directors of TFA will serve for the remainder of their directorship, other members for a term of two (2) years, subject to earlier resignation or removal by the Board.
- (b) Upon completion of a term the member may be reappointed to the Committee by the Board.

### **6.3 Expertise**

- (a) The Committee members shall be:
  - (i) financially literate as defined by the Board (i.e. able to read and understand financial statements and challenge information presented in Committee meetings); and
  - (ii) Have at least one external and independent member who shall be a Certified Practising Accountant or Chartered Accountant.

### **6.4 Chair**

- (a) The Chair of the Committee:
  - (i) will be elected by, and hold office for the period determined by, the members of the Committee;
  - (ii) must be a member of the Committee;
  - (iii) must be an independent Director; and
  - (iv) must not also be the Chair of the Board.
- (b) In the absence of the Chair of the Committee, another Director shall act as Chair of the Committee. The Chair of the Committee also has a casting vote, except that the Chair must not exercise a casting vote at any Committee meeting at which there are only two (2) Committee members present.

### **6.5 Secretary**

- (a) The Company Secretary will act as Committee Secretary and attend all meetings; and
- (b) The Company Secretary will have direct access to the Committee Chair and the Chair of the Board.

## **7. Proceedings of the Committee**

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### **7.1 Constitution**

- (a) Proceedings of the Committee will be governed by TFA's Constitution (in priority), the Board Charter and this Charter.

### **7.2 Attendance**

- (a) Directors who are not Committee members may attend all or part of a Committee meeting in their capacity as Directors of TFA. In particular, Directors who are not Committee members are encouraged to attend the Committee meetings each year

during which the draft financial statements are considered.

- (b) In addition, the following persons should generally be present at a Committee meeting:
  - (i) Chief Executive Officer (CEO);
  - (ii) Finance Manager
  - (iii) External auditor representatives by invitation.
- (c) The Committee Chair Chairperson may extend an invitation to any other person to attend all or part of any meeting of the Committee which it considers appropriate.

### **7.3 Frequency and Notice of Meetings**

- (a) The Committee must meet at least once per quarter or otherwise as deemed necessary by the Committee.
- (b) The dates, times and venues of meetings will be communicated by the Chairperson or Committee Secretary to all Committee members and meeting papers supplied as far in advance as possible.
- (c) Any Committee member may at any time call upon the Committee Secretary to convene a meeting.

### **7.4 Quorum**

- (a) A quorum is two Committee members, comprising of at least one Director.
- (b) Members may attend meetings using any technology which allows each Committee member to hear proceedings and be heard by the other members.
- (c) The Committee must meet with external auditors at least once a year without Management being present.

### **7.5 Minutes**

- (a) Minutes of meetings of the Committee must be prepared and circulated to the Chair for approval within one week of the meeting, approved by the Chair and then circulated to all members of the Committee and the Chief Executive Officer.
- (b) After confirmation, the minutes must be distributed to all Directors, ordinarily for the Board meeting next following the Committee meeting to which the minutes relate.

### **7.6 Written Resolutions**

- (a) The Committee may pass a resolution without a meeting being held if all the Committee members who are entitled to vote on a resolution sign a document containing a statement that they are in favour of the resolution set out in the document. Separate copies of a document may be used for signing by Committee members. The resolution is passed when the last Committee member signs.

## **8. Charter Review**

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The Board reviews this charter regularly and makes changes, as necessary. The Committee Secretary is responsible for monitoring and maintenance of this charter.