Finance, Audit and Risk Committee

Terms of Reference

1. Purpose
   - The primary function (be delegated power of the ACMHN Board of Directors) of the Finance, Audit and Risk Committee is to:
     - Improve the quality of financial and risk management within the ACMHN
     - Provide greater accountability and oversight of ACMHN’s financial management and accounting practices
     - Take an active interest in and promote an ethical culture within the ACMHN, including independently overseeing corporate conduct, practices and procedures (e.g. conflicts of interest issues)
     - Provide a forum where the views of Board members, organisational members, executive management and auditors can be discussed and assessed in relation to finance, governance and risk management.
     - Examine selected projects or issues as directed by the Board

2. Authority and Accountability
   - The ACMHN Board, pursuant to clause 8.2 and 8.3 of the ACMHN Constitution, has established the Committee and authorised and directed the Committee to act in accordance with the Terms of Reference.
   - The Committee is accountable to ACMHN Board through the Chair.
   - The Committee makes all decisions in relation to financial and risk management for ratification by the Board, except in matters of appeal where the Board’s decision will be final.
   - The Chief Executive Officer maintains responsibility for financial decisions, business operations and day to day management and administration of the Finance, Audit and Risk Committee.
3. **Financial Risk and Compliance**
   - The Chair of the Committee will attend the National Office in person twice per year to inspect the financial accounts and sight lease agreements.
   - The Chair of the Committee will meet with the auditors once per year to ensure compliance and discuss any issues raised during audit.
   - The Chair of the finance, audit and risk committee will through the CEO be able to liaise with the College lawyers if a need arises.
   - The Committee will review all contracts made with the College.
   - The Committee will review the membership database against membership records.
   - The Committee will review the Risk Register at every meeting.
   - The Committee will be informed when all insurance policies are due for renewal and evidence of the same.
   - The Committee will be informed of all statutory requirements with the ATO, OCBA, ASIC and compliance with the same.

4. **Membership**

   The Committee will comprise of:
   - Chair, a member of the Board of Directors
   - Minimum of three with a maximum of four financial members of the ACMHN
   - Up to two external members
   - Ex Officio –Chief Executive Officer, Finance Manager and Finance Officer
   - Co-opted members as required according to the desired mix of expertise for effective Committee management.

   Committee members are sought by expressions of interest and are appointed by the Board.

   A Committee must retain a minimum of 4 appointed Committee Members.

5. **Term of Office**
   - Each member of the Committee shall serve two years.
   - Each member of the Committee will be eligible for reappointment through an EOI process, with no limitations on the number of terms of office.
   - If a member fails to attend two consecutive meetings without reasonable notice or is unable to attend 50% of meetings in a given 12 month period, the Chair may cease a Committee member’s term upon due notification.
   - If at any time a vacancy occurs, the Committee may fill a vacancy for the remainder of that term.
6. **Meetings**
   - A minimum of four meetings per calendar year must be held.
   - Meetings may be held face to face or by teleconference.
   - Legitimate travel, accommodation and relevant out of pocket expenses will be arranged and paid by the ACMHN, where incurred and required.
   - Only external members will be eligible for sitting fees, as per College Policy.

7. **Confidentiality**
   - Committee members will keep discussions and deliberations confidential. Committee papers are confidential to the Committee and may be released only with the authority of the Committee or by direction of law.

8. **Conflicts of Interest**
   - Conflicts or potential conflicts of interest must be disclosed by members at the commencement of each meeting.
   - Conflicts of interest will be managed by the Chair in line with ACMHN Constitution (2013) and meetings policy.

9. **Communication & Relationships**
   - Decisions of the Committee will be made by consensus or a majority of members where consensus cannot be reached. In the event of a tied vote, the Chair may exercise an additional casting vote.
   - A quorum shall consist of not less than three appointed Committee members including the chair or nominated delegate in their absence (excludes ex-officio).
   - Minutes from each meeting will be forwarded the ACMHN Board.
   - The ACMHN will provide secretariat for the Committee.
   - The Chair is responsible for communication with Committee members and between the Committee, the ACMHN Board and the CEO.
   - The spokesman for the Committee is the Chair or delegate nominated by the Chair.
   - The Chair or delegate, or the Committee through the Chair, shall have the right to independently seek expert information/advice (including legal advice from the College Lawyers), providing that paid advice is sought with appropriate expenditure approval as advised by the Chief Executive Officer.
10. Review

- Terms of Reference are reviewed bi-annually or as needed to reflect the ACMHN Constitution.

The Terms of Reference for the Finance, Audit and Risk Committee were endorsed by the ACMHN Board of Directors in April 2015.