

Finance and Audit Committee Committee Charter



WESTERN AUSTRALIAN INSTITUTE *of* SPORT

1. ROLE

The Western Australian Institute of Sport's Board has established the Finance and Audit Committee as per the Treasurer's Instruction 1201 – Internal Audit requirement.

The Finance and Audit Committee assists the WAIS Board in fulfilling their oversight responsibilities in relation to financial management, , financial and performance reporting and external and internal audit. The Audit and Risk Committee is not responsible for the management of these functions.

The Finance and Audit Committee will engage with management in a constructive and professional manner to perform its oversight responsibilities. The Chair of the Finance and Audit Committee is responsible to, and reports to the Board.

To help support the Finance and Audit Committee's role in overseeing the internal audit function, the Corporate Services Manager, acting as the Chief Audit Executive will functionally report to the Finance and Audit Committee.

The Finance and Audit Committee will prepare an annual work plan that outlines when it will perform key activities, in consultation with the Board.

2. AUTHORITY

- 2.1. The Board authorises the Finance and Audit Committee, in accordance with this Charter, to:
 - 2.1.1.obtain any information it requires from any official or external party (subject to any legal obligation to protect information)
 - 2.1.2.discuss any matters with the internal auditors, Office of the Auditor General (OAG), or other external parties (subject to confidentiality considerations)
 - 2.1.3.request the attendance of any official, including members of the WAIS Board, at Finance and Audit Committee meetings
 - 2.1.4.obtain legal or other professional advice when necessary to fulfil its role, at the Institute's expense, subject to approval by the WAIS Board or delegate
 - 2.1.5.The Finance and Audit Committee may undertake other activities as requested by the WAIS Board.

3. MEMBERSHIP

The Finance and Audit Committee comprises at least three non-executive Board members appointed by the WAIS Board. The Finance and Audit Committee will be led by a Chair, independent of management and appointed by the WAIS Board.

Finance and Audit Committee members will be appointed for an initial period of up to three years as determined by the Board.

The Board will regularly review the membership of the Finance and Audit Committee to ensure that there is an appropriate balance between continuity of membership, the contribution of fresh perspectives and a suitable mix of qualifications, knowledge, skills and experience. The WAIS Board may choose to re-appoint members based on their ability to contribute to the work of the Finance and Audit Committee.

The Board may remove an Finance and Audit Committee member at any time before their term expires, or a member may resign.

Finance and Audit Committee members will collectively have a broad range of skills and experience relevant to the operations of the Institute. At least one member of the Finance and Audit Committee will have accounting or related financial management experience, with an understanding of accounting and auditing requirements in the public sector. To support the skills and experience of Committee members, where necessary the Committee will implement an induction and training program for new members.

The Finance and Audit Committee may invite the Board, Chief Executive Officer, Corporate Services Manager, or other management representatives to present information and participate in the meeting.

The Finance and Audit Committee will be administratively supported by a secretary who is appointed by management.

3.1. Independence and conflicts of interest

The Finance and Audit Committee must be independent from management of the Institute.

External members should consider past employment, consultancy arrangements and related party issues when making these declarations to the WAIS Board. In consultation with the Chair, the WAIS Board should be satisfied that there are sufficient processes in place to manage any actual, perceived or potential conflicts of interest.

At the start of each Finance and Audit Committee meeting, members are required to declare any personal interests that may apply to specific matters on the meeting agenda. The Chair, in consultation with the WAIS Board where appropriate, is responsible for deciding if the members should excuse themselves from the meeting or from the Finance and Audit Committee's consideration of the relevant agenda item(s).

Details of any personal interests declared by the Chair and other Finance and Audit Committee members, and actions taken to manage the conflicts, should be appropriately recorded in the meeting minutes and the Institute register of conflicts of interest in accordance with its policy.

4. DUTIES AND RESPONSIBILITIES

The Finance and Audit Committee will be responsible for the following;

4.1. Risk management, fraud and internal control

The Finance and Audit Committee oversees the Institute's system of risk management and internal controls. Its responsibilities include, but are not limited to:

- 4.1.1. Provide oversight of key WAIS financial policies and report on effectiveness and compliance to the Board where necessary, including;
 - 4.1.1.1. Financial management manual
 - 4.1.1.2. Minimum Cash Balance and Funds Investment Policy
 - 4.1.1.3. Policy and Compliance Requirements for Statutory and Legal Obligations
- 4.1.2. considering the adequacy and effectiveness of internal controls and the risk management framework by:
 - 4.1.2.1. reviewing reports from management, internal audit, consultants, regulators and the OAG
 - 4.1.2.2. monitoring management responses and ensuring timely correction actions are taken by management
 - 4.1.2.3. enquiring with management and the OAG regarding their assessment of the risk of material misstatement in the financial report due to fraud
- 4.1.3. reviewing summary reports from management on all suspected, alleged and actual frauds, thefts and breaches of laws and ensuring these are reported to the WAIS Board and/or relevant authorities

4.2. Internal audit

The Finance and Audit Committee is responsible for guiding and overseeing the activities, resources and structure of the internal audit function. The Finance and Audit Committee's responsibilities include, but are not limited to:

- 4.2.1. annually reviewing and implementing and monitoring the internal audit plan
- 4.2.2. advising the WAIS Board on the adequacy of internal audit resources or budget to perform the approved internal audit plan
- 4.2.3. ensuring that the internal audit function, through the chief audit executive, has a direct reporting relationship with the Finance and Audit Committee and WAIS Board (functional reporting relationship) and has access to all levels of management needed to perform their duties
- 4.2.4. monitoring internal audit's participation in non-assurance roles to assess whether it impacts their independence or interferes with the delivery of the internal audit program
- 4.2.5. reviewing the quality and timeliness of internal audit reports
- 4.2.6. monitoring management's implementation of internal audit recommendations
- 4.2.7. reviewing the annual report from internal audit service provider on the overall state of the Institute's internal controls
- 4.2.8. ensuring that internal audit has complete and timely access to all accounts, information, documents and records of the Institute as needed to effectively perform their duties. This also includes discussing whether management was cooperative and provided timely responses to internal audit requests

4.3. Compliance and ethics

The Finance and Audit Committee oversees the Institute's processes to ensure compliance with relevant laws and regulations and for promoting a strong governance culture within the Institute. This includes, but is not limited to:

- 4.3.1. understanding the Institute's compliance framework including its obligations, the officers responsible for compliance activities and management oversight and review of these processes
- 4.3.2. considering the impact of Institute's culture on compliance processes
- 4.3.3. reviewing and monitoring related party transactions and conflicts of interest
- 4.3.4. enquiring with management, internal audit and the OAG on their assessment of the compliance culture, the risk of non-compliance, or whether they have any knowledge of any actual, suspected or alleged non-compliance affecting the Institute

4.4. Financial and performance reporting

The Finance and Audit Committee oversees the integrity of financial and performance reporting processes within the Institute. The Committee's responsibilities include:

- 4.4.1. reviewing the financial statements and providing advice to the WAIS Board about whether they should be signed by the WAIS Board. The review includes assessing:
 - 4.4.1.1. whether the financial statements are consistent with the knowledge of the Finance and Audit Committee members
 - 4.4.1.2. whether the financial statements comply with the Financial Management Act 2006.
 - 4.4.1.3. whether the financial statements accurately reflect the Institute's financial position and performance, and if not, whether additional disclosures are required
 - 4.4.1.4. the appropriateness of accounting policies and disclosures, including changes to accounting policies
 - 4.4.1.5. areas of significant judgement, estimation and significant or non-routine transactions
 - 4.4.1.6. whether appropriate management action has been taken in response to any issues raised by the OAG, including financial statement adjustments or revised disclosures
 - 4.4.1.7. the quality of the Institute's processes for preparing the financial statements, including how management has checked that they comply with relevant requirements
 - 4.4.1.8. significant issues, errors or discrepancies in the draft financial statements and ensuring members understand the reasons why these occurred
 - 4.4.1.9. the representation letter to be provided to the OAG to confirm that the assertions, including any immaterial errors collated during the audit, are appropriate.
 - 4.4.1.10. reviewing the Institute's process to ensure the financial information included in the annual report is consistent with the audited financial statements
 - 4.4.1.11. reviewing the Institute's systems and procedures for assessing and reporting on the Institute's performance through key performance indicators. This includes determining whether:
 - 4.4.1.12. the key performance indicators are relevant and appropriate to assess the Institute's performance and take into account guidance issued by the Department of Treasury
 - 4.4.1.13. the Institute has sound processes and controls for measuring and reporting on key performance indicators in its annual report
 - 4.4.1.14. the key performance indicators are consistent with the Institute's financial information, including its financial statements, that it proposes to include in its annual report

- 4.4.1.15. there are reasonable disclosures to explain why there is a significant variation in performance.

4.5. External audit

The Finance and Audit Committee is responsible for communicating and liaising with the OAG. This includes understanding the results of financial and performance audits conducted within the Institute and overseeing whether recommendations are implemented by management. The Committee's responsibilities include, but are not limited to:

- 4.5.1.meeting with the OAG to discuss the audit plan (audit entrance meeting) and the results of the financial audit (audit exit meeting)
- 4.5.2.discussing with the OAG any significant resolved or unresolved disagreements with management
- 4.5.3.monitoring and critiquing management's response to OAG findings and recommendations
- 4.5.4.reviewing reports from the OAG including auditor's reports, closing reports and management letters
- 4.5.5.reviewing all representation letters signed by management to assess whether the information appears complete and appropriate
- 4.5.6.meeting with the OAG at least once per year without management presence. At this meeting, the Committee will discuss matters relating to the conduct of the audit, including any difficulties encountered, restrictions on scope of activities or access to information, significant disagreements with management and adequacy of management responses
- 4.5.7.reviewing performance audits conducted at the Institute and ensuring that agreed recommendations are implemented
- 4.5.8.monitoring the relationship between internal auditors and the OAG
- 4.5.9.reviewing results of relevant OAG audit reports and better practice publications for guidance on good practices, including any self-assessment by management
- 4.5.10. reviewing the form and content of the proposed auditor's report on the Institute's financial and performance report. This may include any proposed modification, emphasis of matter, key audit matters, other matters and uncorrected misstatements in other information.

4.6. Other responsibilities

Perform other activities related to the role of this Charter as requested by the WAIS Board.

5. ADMINISTRATIVE RESPONSIBILITIES

5.1. Meetings

The Finance and Audit Committee will meet at least 4 times a year.

The Chair is required to call a meeting if asked to do so by the WAIS Board. If a meeting is requested by another Finance and Audit Committee member, OAG or General Manager of Corporate Services the Chair will decide whether the meeting is necessary.

The Chair will oversee the planning and conduct of meetings including the approval of the agenda and draft minutes, and reporting to the WAIS Board.

A quorum will consist of a majority of Committee members. The quorum must be in place at all times during the meeting.

5.2. Secretariat

The WAIS CEO, in consultation with the Finance and Audit Committee, will formally appoint an officer to provide secretariat services to the Committee. The secretariat will provide services as required by the Finance and Audit Committee that includes:

- 5.2.1. preparing a meeting agenda for each meeting that is approved by the Chair
- 5.2.2. circulating the meeting agenda and supporting papers at least one week before the meeting
- 5.2.3. preparing minutes of the meetings and circulating them no later than two weeks after the meeting
- 5.2.4. maintaining final meeting papers and minutes in accordance with the recordkeeping requirements of the Institute.

5.3. Finance and Audit Committee performance assessment arrangements

The Chair of the Finance and Audit Committee, in consultation with the WAIS Board, will review the performance of the Finance and Audit Committee annually, together with the annual review of this Charter.

The review is performed using the approved assessment tool with appropriate input from the WAIS Board, Committee Members, Senior Management, Corporate Services Manager, and any other relevant stakeholders.

The Chair will provide advice to the WAIS Board on the members' performance, particularly for external members, or members where an extension of tenure is being considered.

The Chair will always consider the costs and benefits of the activities that the Finance and Audit Committee performs.

5.4. Reporting

The Finance and Audit Committee will, as often as necessary, and at least once a year, report to the WAIS Board on its operations and activities during the year and confirm to the WAIS Board that all functions outlined in this Charter have been satisfactorily addressed.

The Finance and Audit Committee may at any time, report to the WAIS Board on any other matters it deems to be sufficiently important. In addition, any individual Finance and Audit Committee members may request a meeting with the WAIS Board at any time.

5.5. Review of Charter

The Finance and Audit Committee will ensure that this Charter complies with relevant legislative and regulatory requirements and will propose amendments when necessary to ensure that it accurately reflects the Committee's current role and responsibilities.

The Finance and Audit Committee will review this Charter once a year and more frequently if required. The review will include consultation with the WAIS Board. Any substantive changes to the Charter will be recommended by the Finance and Audit Committee and formally approved by the WAIS Board.

6. REVIEW AND REVISION

This policy, and all related appendices, will be reviewed as it is deemed appropriate.

Policy review will be undertaken by the Finance and Audit Committee and any revisions approved by the Board.

Revision History

Date	Version	Reviewed by	Changes made
6 April 2014	1.1	ARC	Policy updated
20 September 2021	1.2	ARC	Policy updated
30 August 2022	1.3	ARC	Policy reviewed, minor edits
5 February 2024	1.4	Board	Change to remove "risk" from scope of Committee.

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