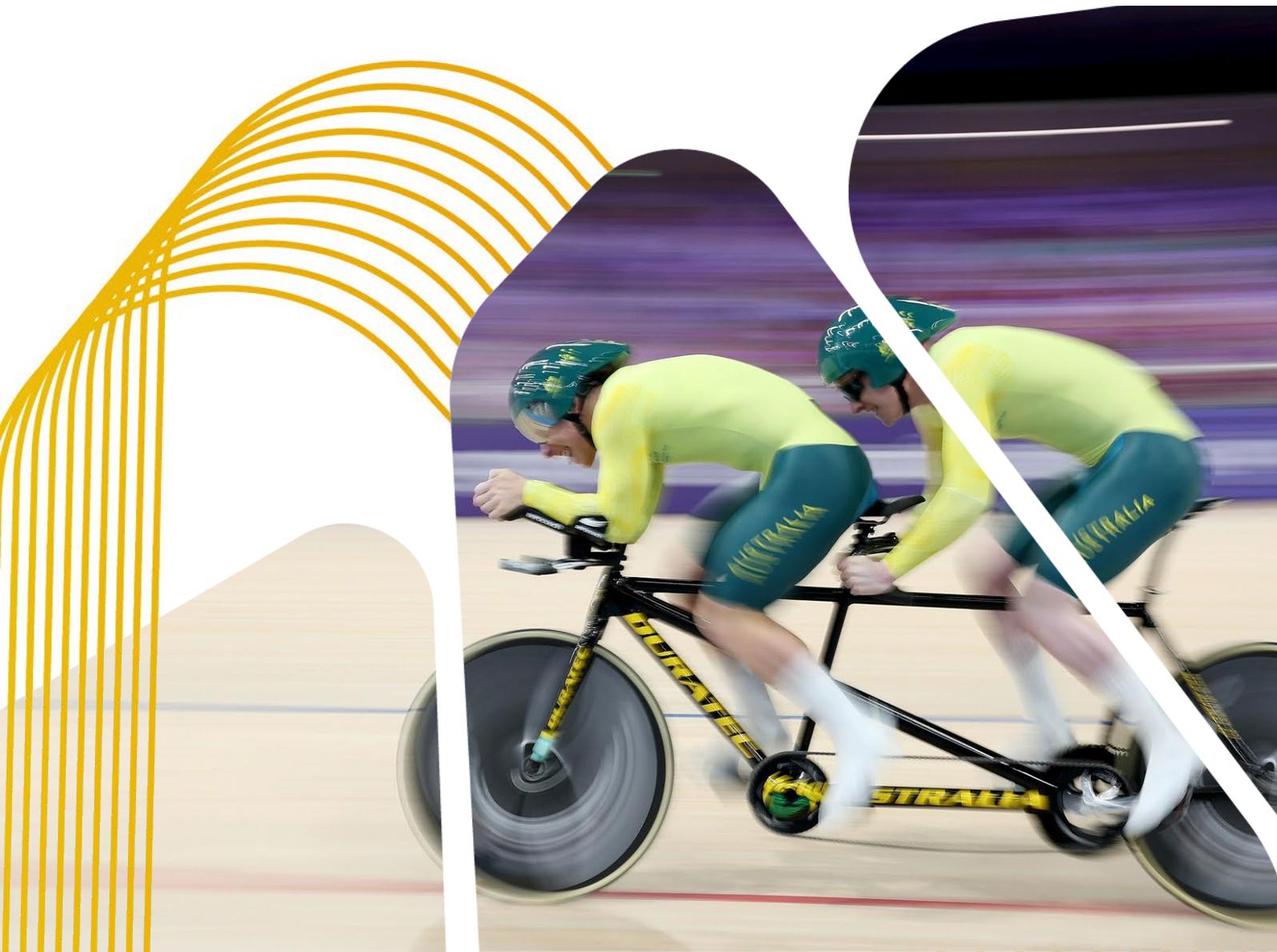


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Finance Risk & Audit Committee Charter

Version 2.0



PURPOSE

1. The Board of the Western Australian Institute of Sport (WAIS) has established the Finance, Risk and Audit Committee (the Committee) as per the Treasurer's Instruction 10– Internal Audit
2. The Committee assists the WAIS Board in fulfilling their oversight responsibilities in relation to:
 - i) financial management, financial and performance reporting.
 - ii) risk management and internal control.
 - iii) monitoring compliance with laws and regulations; and
 - iv) external and internal audit.
 - v) The Committee may undertake other activities as requested by the Board.

The Committee is not responsible for the management of these functions.

3. The Committee will engage with management in a constructive and professional manner to perform its oversight responsibilities. The Chair of the Committee is responsible to, and reports to the Board.
4. To help support the Committee's role in overseeing the internal audit function, the Operations Director, acting as the Chief Audit Executive will functionally report to the Committee.
5. The Committee will prepare an annual work plan that outlines when it will perform key activities, in consultation with the Board.

AUTHORITY

6. The Board authorises the Finance, Risk and Audit Committee, in accordance with this Charter, to:
 - a) obtain any information it requires from any official or external party (subject to any legal obligation to protect information)
 - b) discuss any matters with the internal auditors, Office of the Auditor General (OAG), or other external parties (subject to confidentiality considerations)
 - c) request the attendance of any official, including members of the Board, at Committee meetings
 - d) obtain legal or other professional advice when necessary to fulfil its role, at WAIS' expense, subject to approval by the Board or delegate.

MEMBERSHIP

7. The Finance, Risk and Audit Committee comprises at least three non-executive Board members appointed by the Board. The Committee is led by a Chair, independent of management and appointed by the Board.
8. Committee members will be appointed for an initial period of up to three years as determined by the Board.
9. The Board will regularly review the membership of the 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 Board may choose to re-appoint members based on their ability to contribute to the work of the Committee.
10. The Board may remove a committee member at any time before their term expires, or a member may resign.
11. Committee members will collectively have a broad range of skills and experience relevant to the

operations of WAIS. At least one member of the Committee will have accounting or related financial management experience, with an understanding of accounting and auditing requirements in the public sector.

12. To support the skills and experience of Committee members, where necessary the Committee will implement an induction and training program for new members.
13. The Committee may invite the Board, Chief Executive Officer, Operations Director, or other management representatives to present information and participate in the meeting.
14. The Committee will be administratively supported by a secretary who is appointed by management.

Independence and conflicts of interest

15. The Finance, Risk and Audit Committee must be independent from management of WAIS.
16. Conflicts of interest will be managed according to the **Conflict-of-Interest Policy**. External members should consider past employment, consultancy arrangements and related party issues when making these declarations to the Board. Details of any personal interests declared by the Chair and other Committee members and actions taken to manage the conflicts will be appropriately recorded in the meeting minutes and the WAIS Conflict of Interest Register.
17. In consultation with the Chair, the Board should be satisfied that there are sufficient processes in place to manage any actual, perceived, or potential conflicts of interest.

DUTIES AND RESPONSIBILITIES

The Finance, Risk and Audit Committee will be responsible for the following.

Risk management and internal controls

18. The Committee oversees WAIS' system of risk management and internal risk controls. Its responsibilities include, but are not limited to:
 - a) Assisting the Board in setting its risk appetite to guide the activities of the organisation.
 - b) Ensure that there is appropriate governance, and clear roles and responsibilities in place to support effective risk management practices within appetite.
 - c) Ensure an appropriate process exists to identify where internal controls have not worked, to undertake a review of incidents, breaches, and control failures, and to escalate corrective actions as required.
 - d) To provide advice to the Board annually on changes to the external risk environment, impacts on the inherent risks facing WAIS and any changes required to controls.
 - e) Evaluate the potential for the occurrence of fraud and how WAIS manages fraud risk.
 - f) reviewing the business continuity planning process and be assured that material risk are identified and appropriate business continuity plans, including disaster recovery plans, are in place.

Internal audit and Assurance

19. The Committee is responsible for guiding and overseeing the activities, resources, and structure of the internal audit function. The Committee's responsibilities include, but are not limited to:
 - a) annually reviewing, implementing, and monitoring the internal audit plan, including assurance activities that can be undertaken by management
 - b) advising the Board on the adequacy of internal audit resources or budget to perform the approved internal audit plan

- c) ensuring that the internal audit function, through the Chief Audit Executive, has a direct reporting relationship with the Committee and Board (functional reporting relationship) and has access to all levels of management needed to perform their duties
- d) reviewing the quality and timeliness of internal audit reports on the overall state of the Institute's internal controls
- e) monitoring management's implementation of internal and external audit recommendations
- f) 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.

Compliance and ethics

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

- a) understanding WAIS' compliance framework including its obligations, the officers responsible for compliance activities, and management oversight and review of these processes
- b) considering the impact of WAIS' culture on compliance processes
- c) reviewing and monitoring related party transactions and conflicts of interest
- d) 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 WAIS.

Financial management

21. The Committee oversees the integrity of financial management reporting processes within the Institute. The Committee's responsibilities include:

- a) Reviewing quarterly accounts to form a view they are consistent with approved budget, and that material variations have adequate explanations.
- b) Review the financial sustainability of WAIS, with a view to early advice to the Board if corrective revenue or expenditure activity is required.
- c) reviewing the annual financial statements and providing advice to the Board about whether they should be signed by the Board. The review includes assessing:
 - i) whether the financial statements are consistent with the knowledge of Committee members
 - ii) whether the financial statements comply with the *Financial Management Act 2006*.
 - iii) whether the financial statements accurately reflect WAIS' financial position and performance, and if not, whether additional disclosures are required.
- d) Ensure there is a process to periodically assess the appropriateness of accounting policies and disclosures, including changes to accounting policies.
- e) Providing a draft annual budget to the Board for decision and for progressing external to WAIS (Minister, Department, Treasury).

Performance reporting

22. Reviewing WAIS' systems and procedures for assessing and reporting on the organisation's performance through key performance indicators. This includes determining whether:

- a) the key performance indicators are relevant and appropriate to assess WAIS' performance and take into account guidance issued by the Department of Treasury
- b) WAIS has sound processes and controls for measuring and reporting on key performance indicators in its annual report
- c) the key performance indicators are consistent with WAIS' financial information, including its financial statements, that it proposes to include in its annual report
- d) there are reasonable disclosures to explain why there is a significant variation in performance.

External audit

23. The Committee is responsible for communicating and liaising with the OAG. The Committee's responsibilities include, but are not limited to:

- a) meeting with the OAG to discuss the audit plan (audit entrance meeting) and the results of the financial audit (audit exit meeting)
- b) discussing with the OAG any significant resolved or unresolved disagreements with management and ensuring the proposed OAG report and management letter is factually accurate and reflects the process undertaken.
- c) monitoring and critiquing management's response to OAG findings and recommendations
- d) reviewing reports from the OAG including auditor's reports, closing reports and management letters. Being familiar with relevant OAG audit reports and better practice publications for guidance on good practices, including any self-assessment by management
- e) reviewing all representation letters signed by management to assess whether the information appears complete and appropriate.
- f) 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.
- g) reviewing performance audits conducted at WAIS and ensuring that agreed recommendations are implemented.

ADMINISTRATIVE RESPONSIBILITIES

Meetings

- 24. The Financial, Risk and Audit Committee will meet at least 4 times a year. Meeting can be online, in person or a combination.
- 25. The Chair is required to call a meeting if asked to do so by the Board. If a meeting is requested by another Committee member, OAG or Operations Director, the Chair will decide whether the meeting is necessary.
- 26. The Chair will oversee the planning and conduct of meetings including the approval of the agenda and draft minutes, and reporting to the Board.
- 27. A quorum will consist of a majority of Committee members. The quorum must be in place at all times during the meeting.

Secretariat

- 28. The CEO, in consultation with the Committee, will formally appoint an officer to provide secretariat services to the Committee. The secretariat will provide services as required by the

Committee that includes:

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

Committee performance assessment arrangements

- 29. The Chair of the Committee, in consultation with the Board, will review the performance of the Committee annually, together with the annual review of this Charter.
- 30. The review is performed using the approved assessment tool with appropriate input from the Board, Committee Members, Senior Management, Operations Director, and any other relevant stakeholders.
- 31. The Chair will provide advice to the Board on the members’ performance, particularly for external members, or members where an extension of tenure is being considered.
- 32. The Chair will always consider the costs and benefits of the activities that the Committee performs.

Reporting

- 33. The Committee will, as often as necessary, and at least once a year, report to the Board on its operations and activities during the year and confirm to the Board that all functions outlined in this Charter have been satisfactorily addressed.
- 34. The Committee may at any time, report to the Board on any other matters it deems to be sufficiently important. In addition, any individual Committee members may request a meeting with the Board at any time.

REVIEW AND REVISION

- 35. The 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.
- 36. The Committee will review this Charter once every two years and more frequently if required. The review will include consultation with the Board. Any substantive changes to the Charter will be recommended by the Committee and formally approved by the WAIS Board.

Version History

Date	Version	Reviewed by	Approved 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.

7 July 2025	2.0	Committee	WAIS Board	<p>Significant rewrite of Committee Charter to review the inclusion of Risk.</p> <p>Minor formatting amendments to ensure consistency with other governance committees.</p>
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