Terms of Reference

TOR001 Finance Audit and Risk Management Committee

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1. Background

Comm Unity Plus Services Ltd, trading as commUnity+ (commUnity+, or the Company), is a community-based organisation limited by guarantee and a registered charity with the Australian Charities and Not-for-Profit Commission (ACNC).

commUnity+ is:

(a) governed by an elected, voluntary Board of Directors.

(b) committed to the principles of good governance, and articulates this commitment through two key documents:

   a. commUnity+ Constitution
   b. commUnity+ Board Charter

Clause 53 of the Constitution provides the Board with the power to establish Committees and delegate certain powers to those Committees.

The commUnity+ Board has established a Finance, Audit and Risk Management (FARM) Committee.

2. Purpose

2.1 The purpose of the FARM Committee is to:

(a) assist the Board in fulfilling its corporate governance and oversight responsibilities, while recognising that ultimate accountability remains with the Board regarding:

- financial management,
- financial reporting,
- internal and external audit, and
- risk management and compliance

(b) provide advice and make recommendations to the commUnity+ Board on these matters.

3. Appointment of Committee

3.1 The Board shall, at their first meeting following the Annual General Meeting (AGM), determine the members and the Chair of the Committee until the next AGM in accordance with the Board Charter.

4. Authority

4.1 The FARM Committee is a Committee of the Board of commUnity+ from which it derives its authority and to which it regularly reports.

4.2 The Board authorises the Committee to:

(a) Investigate any matter within its Terms of Reference
(b) Seek information from any employee, volunteer, or contractor
(c) Obtain outside legal or other independent professional advice
(d) Make recommendations to the Board on any matters within its established responsibilities.

4.3 The Committee operates in an advisory capacity to the Board unless specific delegated authority has been granted by Board resolution.

5. Membership Arrangements

5.1 Chairperson

(a) The Chair of the Committee will be appointed by the Board.
(b) In the absence of the Chair of the Committee or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.

5.2 Membership

(a) The Committee shall consist of at least three members whom are Board Directors.
(b) The Chair of the Board (if they are not a member of the Committee) is invited to participate in all meetings of the Committee and other Board Committees.
(c) External, independent persons may be appointed to the Committee by the Board.
(d) The CEO may attend Committee meetings by invitation of the Committee or as determined by the Board and is not a voting member unless expressly appointed by the Board. Other members of management may attend by invitation.
(e) The Company Secretary will act as Secretariat for the meeting, managing the preparation of papers, agendas and minutes.
(f) The Committee membership may be amended at any time by the Board.
(g) Committee members may resign from the Committee at any time, in writing, addressed to the Chair of the Board.

5.3 Term and Casual Vacancies

(a) The term of appointment of members to this Committee is from the date of appointment to the first Board Meeting following the next AGM.
(b) The Board, from among its members, may fill casual Board member vacancies occurring in membership of the Committee.

6. Meetings

6.1 Frequency of Meetings

(a) The Committee will meet as frequently as required to discharge its responsibilities and ordinarily at least five times per year.
(b) Meetings of the Committee may be called by the Chair of the Committee at any time to consider any matters falling within these Terms of Reference.
(c) The Committee may meet in person or via videoconference.

6.2 Quorum and Committee Resolutions

(a) The quorum for Committee meetings shall be a majority of Committee members and must include at least one Director.
(b) The Committee shall reach decisions by a simple majority of those voting on the issue in question. If the number of votes for and against a certain proposal is equal, the Committee Chair shall have a casting vote.

6.3 Record of Meetings

(a) The Committee shall ensure that minutes of its meetings are created.
(b) Draft minutes of each Committee meeting are to be approved by the Committee Chair and circulated to all Committee members by the Company Secretary with the next meeting pack.
(c) Minutes will be approved by the Committee at the next meeting.

6.4 Agenda and Papers

(a) The agenda and supporting papers will be delivered to all Committee members and other attendees (if appropriate) by the Company Secretary one week before a meeting.

6.5 Reporting

(a) The Committee is accountable to the Board of Directors.
(b) Minutes of each Committee meeting will be provided to the Board at the next Board meeting as approved by the Chair of the Committee.
(c) The Committee Chair shall regularly report to the Board on all matters relevant to the role and responsibilities of the committee.
(d) The Committee Chair will report and make recommendations, as appropriate, to the Board after each Committee meeting on matters dealt with by the Committee.
(e) When appropriate, the Committee will seek direction and guidance from the Board on finance, audit, risk management and compliance.
(f) The Committee shall ensure that the Board is made aware in a timely manner of the Committee's activity and any matters that may have a significant impact upon the organisation.

7. Responsibilities

7.1 Financial Management and Reporting

(a) Advise on financial policy issues, financial implications of new activities, or the organisation's policy on charging for its services.
(b) Set budget parameters, review draft assumptions and drafts of proposed budgets.
(c) Make recommendations or exercise delegated financial authority, as authorised by the Board and report such recommendations or decisions to the Board.
(d) Develop Investment Policy or recommend key investment decisions to the Board, as appropriate.
(e) Review financial planning and budgeting processes in consultation with Management and make recommendations to the Board for approval.
(f) Ensure accurate records of income and expenditure are maintained and adjusting financial forecasts as appropriate.
(g) Monitor the financial performance of the organisation against budget and KPIs, (including capital budget and expenditure).

7.2 External audit

(a) Discuss audit outcomes and recommendations with the auditors annually or whenever required.
(b) Meet independently with the external auditors without management present, at least once each year.
(c) Manage the selection of the external auditor, review their services and recommend their appointment or reappointment to the Board and Members.
(d) Brief the external auditor on any internal control issues and identify matters for specific attention by the external auditor.

7.3 Internal audit

(a) Ensure internal audit functions and financial controls are in place as per the commUnity+ Policy and best practices on internal controls for not-for-profit organisations.
(b) Identify areas of possible risk for potential spot checks through internal scrutiny.

7.4 Risk Management

(a) Review the effectiveness of business continuity planning.
(b) Review the effectiveness of Occupational Health & Safety.
(c) Monitor and advise the Board on adequate coverage of insurance policies.
(d) Monitor and review the Information, Communications and Technology (ICT) Strategy, ensuring that infrastructure and systems are fit for purpose. This includes cybersecurity and data protection.
(e) Monitor funding and service delivery contractual obligations.
(f) Monitor and review the commUnity+ Risk Management Framework, ensuring that the organisation has an effective risk management system.
(g) Monitor and review the Risk Register with respect to financial risks and operational risks.
(h) Monitor and review organisational compliance with the Risk Management Framework and Risk Appetite approved by the Board.
(i) Manage and mitigate key financial and operational risk areas, including:
- Management reporting,
- Compliance with laws, regulations, standards and best practice guidelines,
- Relevant business risks other than those dealt with specifically by other committees(s).

(j) The Board may require the Committee to examine specific issues which are outside its normal terms of reference. The Committee may also identify specific issues and recommend to the Board that it be authorised to consider them.

7.5 Policy Development & Monitoring
(a) Monitor and review policies related to the finance and ICT environment.

8. Governance and Resources

8.1 The Committee shall, via the Company Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as discussed and agreed by the Committee.
8.2 The Committee shall give regard to all applicable legislation, ACNC Governance Standards, any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its decisions.
8.3 The Committee shall have access to sufficient resources in order to carry out its duties and have the power to engage independent counsel and other professional advisers and to invite them to attend meetings.
8.4 Key work plan items include but are not limited to:
(a) Financial Audit
(b) Compliance and Funding Register
(c) Risk Register
(d) Work Health and Safety
(e) Business Continuity Plan
(f) Insurance coverage
(g) Financial Performance Review
(h) Budget assumptions, development and endorsement.

9. Performance Review

9.1 The Committee shall evaluate its own performance, composition and Terms of Reference annually to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

9.2 The Committee shall meet in a private session, with management present, at least once a year, to assess the effectiveness of management support for the Committee.

9.3 The Board will evaluate the performance of the Committee annually.

10. Complaints

10.1 The Committee shall establish and oversee procedures for the receipt, retention, and treatment of complaints received by the organisation. This shall cover accounting, internal accounting controls, or auditing matters, as well as the confidential, anonymous submission by employees of concerns regarding questionable accounting or auditing matters.

10.2 Material complaints or reportable incidents must be escalated to the Board in accordance with applicable policies and legislative obligations.

11. Review

Activities	Frequency
Review Terms of Reference	Annually

The Committee must review these Terms of Reference annually giving consideration to any other charters, guidelines, and related governance documents of commUnity+ that may be in place from time to time.

12. Responsibility

Level	Position
Authorisation	Board
Responsibility for implementation	Committee Chair
Organisational Implementation	Chief Operating Officer

13. Related Documents

Legislation:	- *Corporation Act* 2001 (Cth) - *ACNC Act 2012 (Cth)*
Organisational Documents:	- Constitution - Board Charter - Code of Conduct Policy - Delegation Policy - Delegation Schedule - Board Policy Suite - Financial Policy Suite

14. Version Control

Version	Code Type	Change	Authorised	Date
5.0	N/A	Reviewed	Board	24 February 2022

6.0	TOR001	Reformatted to new template and reviewed fully	Board	17 April 2023
6.1	TOR001	Minor edits	Board	22 December 2023
7.0	TOR001	Constitution and Board Charter alignment	Board	18 May 2026