

# **AUSTRALIAN SPORTS FOUNDATION LTD**

## **FINANCE AUDIT AND RISK COMMITTEE CHARTER**

## **Introduction**

The Board of Directors (Board) of the Australian Sports Foundation (ASF) established a Finance Audit and Risk Committee (FAR Committee) in compliance with section 92 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and PGPA Rule section 17 *Audit Committee for Commonwealth Entities*.

## **Purpose**

The FAR Committee is a sub-committee of the Board of the Australian Sports Foundation Ltd (ASF) established to assist the Board discharge its responsibilities under the *Australian Sports Commission Act 1989* and the *Public Governance, Performance and Accountability Act 2013* in respect of financial reporting, performance reporting, risk oversight and management, internal controls and compliance with relevant laws and policies. The FAR Committee terms of reference apply to both the Australian Sports Foundation Ltd and Australian Sports Foundation Charitable Foundation Ltd entities (referred to as ASF below).

The FAR Committee is not responsible for the executive management of these functions. The FAR Committee will engage with management in a constructive and professional manner in discharging its responsibilities and formulating its advice to the Board.

## **Authority**

The Board authorises the FAR Committee, within its responsibilities, to:

- Obtain any information it requires from any official or external party (subject to any legal obligation to protect information);
- Discuss any matters with the Australian National Audit Office (ANAO) or the company's auditors, or other external parties (subject to confidentiality considerations);
- Request the attendance of any official, including members of the Board, at FAR Committee meetings; and
- Obtain legal or other professional advice at ASF's expense, as considered necessary to meet its responsibilities.

## **Composition of the Finance Audit and Risk Committee**

The Board appoints the Chair of the FAR who shall not be the Chair of the Board.

In addition to the Chair of the FAR, the membership comprises:

- At least two Board Members, including at least one with relevant experience for the FAR's responsibilities.
- Independent members can be appointed to the FAR to help fulfil the duties and obligations of the FAR on a fixed-term basis. The Chair of the Board shall make appointments, on the recommendation of the Chair of the FAR. The Chair of the Board determines the duration of the appointment. Independent members are not employees of the Board.

Members may be removed from the FAR at any time before the end of their term by the Chair of the

Board.

The FAR Committee is authorised to appoint a board member as Deputy Chair who will act as Chair in the absence of the Chair.

The Chair of the Board and other directors may attend FAR Committee meetings, and when they elect to do so, will require copies of the FAR Committee papers.

The Board Chair, Chief Executive Officer, Chief Financial Officer or other management representatives may attend meetings as advisers or observers, as determined by the Chair, but will not be members of the FAR Committee.

A representative(s) of the ANAO or company's auditors will be invited to attend periodic meetings of the FAR Committee, as an observer.

Membership of the FAR Committee will be reviewed periodically (but at least every three years) by the Board with the aim of ensuring an appropriate balance between continuity of membership, the contribution of fresh perspectives and a suitable mix of qualifications, knowledge, skills and experience.

The FAR Committee will adopt and maintain a program of induction, training and awareness-raising for its members, with the objective of enabling the FAR Committee to keep abreast of contemporary developments and leading practices in relation to its functions.

## **Responsibilities of the FAR Committee**

### **1. Annual Financial Reporting and Financial Statements**

1.1 Review the annual financial statements and provide advice to the Board; including recommending their execution by the Board Chair. In particular, the FAR Committee will:

- a) assess ASF's compliance with accounting standards and other legislative pronouncements, including an assessment of the appropriateness of accounting policies and disclosures;
- b) assess areas of significant judgement and financial statement balances that require estimation;
- c) assess any significant changes to accounting policies and practices;
- d) review significant or unusual transactions, not covered by b) or c) above; and
- e) assess whether appropriate management action has been taken in response to any issues raised by the company's auditors, including financial statement adjustments or revised disclosures.

1.2 Review the processes in place designed to ensure that financial information included in ASF's annual report is consistent with the signed financial statements.

1.3 Monitor the standard of financial information provided to the Board, and

1.4 Discuss with the ANAO or the company's auditors, the auditor's judgements about the adequacy of the ASF's accounting policies and the quality of the ASF's processes for the preparation of the ASF's financial statements.

## 2. Financial Oversight and Performance Reporting

- 2.1 Before consideration and approval by the Board, review the process and assumptions for the annual budget.
- 2.2 Monitor the financial performance against key financial indicators as shown in the budget and corporate plan quarterly including the standard of non-financial performance information provided to the Board.
- 2.3 Consider any issues relating to the ASF's performance that the FAR Committee considers warrant review, or are referred to the FAR Committee by the Board.

## 3. Systems of Risk Oversight and Management

- 3.1 The Board has the responsibility to approve the Risk Management Framework.
- 3.2 The Committee monitors whether management has in place a current and sound enterprise risk management framework and associated procedures for effective identification and management of the entity's business and financial risks, including:
  - Determining whether a sound and effective approach has been followed in managing ASF's major risks, including those associated with individual projects, program implementation, and activities.
  - Satisfying itself that management has assessed the impact of ASF's Risk management framework on the ASF's control environment.
  - Monitoring the adequacy of insurance cover for the ASF.
  - Monitoring reports on fraud from entity management that outline any allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in the ASF.
  - A least annually, commissioning and approving an entity-wide assurance map that identifies the ASF's key assurance arrangements.

## 4. Systems of Internal Control and Compliance

### 4.1 Internal Controls Framework

- b) Assess whether management has in place comprehensive and relevant policies and procedures designed to maintain an effective internal control framework, including over external parties such as contractors and advisers. Determine whether management has appropriate processes in place to assess, at least once a year, whether key policies are complied with; and
- c) Assess the adequacy of the ASF's information technology security arrangements.

### 4.2 Delegations

Assess whether appropriate policies and supporting procedures are in place for the management and exercise of delegations.

### 4.3 Business Continuity Management

Determine whether a sound and effective approach has been followed in establishing

the ASF's business continuity planning arrangements, including whether business continuity and disaster recovery plans are periodically updated and tested.

#### 4.4 Ethical and Lawful Behaviour

Assess whether management has taken steps to embed a culture that promotes the proper use of Commonwealth resources and is committed to ethical and lawful behaviour.

#### 4.5 Legislative and Policy Compliance

- a) Assess the effectiveness of the system for monitoring the ASF's compliance with those laws, regulations and associated government policies that ASF must comply with;
- b) Determine whether management has appropriately considered legal and compliance risks as part of ASF's enterprise risk management plan; and
- c) Provide advice to the Board regarding the issue of ASF's annual Certificate of Compliance, or equivalent report.

### 5. Other

- 5.1 Undertake other activities related to its responsibilities as requested by the Board.
- 5.2 Initiate and oversee special investigations as considered necessary.

### Engagement with ANAO / External Auditors

The FAR Committee will engage with the ANAO/external auditors, in relation to the ANAO's financial statement and performance audit coverage. In particular, the FAR Committee will:

- Provide input on planned ANAO financial statement and performance audit coverage;
- Monitor management's responses to all ANAO/external auditor's financial statement management letters and performance audit reports, including the implementation of audit recommendations;
- Provide advice to the Board on action to be taken on significant issues raised in relevant ANAO reports or better practice guides;
- Consider the independence of the ANAO / External Auditor prior to finalisation of the financial report; and
- Meet privately with the ANAO/external auditors at least once per year.

### Reporting

The FAR Committee will regularly update the Board on its activities and make recommendations to the Board, as appropriate.

The Chair of the FAR Committee will report to the Board at the next Board meeting following a meeting of the FAR Committee on any matters that the FAR Committee considers should be brought to the attention of the Board, or for approval.

The FAR Committee will at least once annually confirm to the Board that all functions/responsibilities outlined in this Charter have been carried out and comply with any other reporting requirements specified by the Board from time to time.

## **Administrative Arrangements**

### **Meetings**

The FAR Committee will meet at least four times per year. One or more special meetings may be held to review ASF's annual financial statements or to meet other responsibilities of the FAR Committee.

All FAR Committee members are expected to attend each meeting, in person or via tele-or-video conference.

The FAR Committee Chair is required to call a meeting if asked to do so by the Board Chief Executive Officer and decide if a meeting is required if requested by another member, internal audit or the ANAO/External Auditor.

### **Planning**

The FAR Committee will develop a forward meeting calendar that includes the dates, location, and proposed agenda items for each meeting for the forthcoming year, and that covers all the responsibilities outlined in this Charter.

### **Quorum**

A quorum will consist of at least two Board members. The quorum must be in attendance at all times during the meeting.

### **Secretariat**

Secretariat arrangements will be the same as for the Board. The secretariat will ensure that:

- agenda for each meeting is approved by the FAR Committee Chair;
- agenda and supporting papers are circulated, at least one week before the meeting; and
- minutes of the meetings are prepared and maintained.

Minutes must be reviewed by the FAR Committee Chair and circulated within two weeks of the meeting to each member and FAR Committee observers, as appropriate.

## 1.1 **Conflicts of Interest**

Should a member of the FAR Committee have a conflict of interest, they shall immediately disclose this to the Chair of the FAR Committee and, where appropriate, recuse themselves from any deliberations or votes concerning the relevant subject matter.

### **Induction**

New members will receive relevant information and briefings on their appointments to assist them to meet their FAR Committee responsibilities.

### **Assessment Arrangements**

The FAR Committee Chair, will initiate an annual self-assessment of the performance of the FAR Committee. The review will involve input from the Board, each FAR Committee member, senior management, internal audit, the ANAO/External Auditors, and any other relevant stakeholders, as determined by the FAR Committee.

### **Assessment Arrangements of Auditors**

Assessment of the performance of the ANAO will be discussed annually by the Chief Executive Officer and Chief Finance Officer. Key points or issues to be discussed will be drawn to the attention of FAR Committee Members.

### **Review of Charter**

At least every three years the FAR Committee will review this Charter. The Charter will be recommended by the FAR Committee to the Board for approval.

### Approved

Signature:



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Sarah Kelly - Chair of the Board of Directors

Date:

24 June 2025

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