

# Terms of Reference of the Finance, Audit and Risk Committee

## Definitions

Board	means the directors of acting collectively under the Constitution of SUSF.
Board Charter	means the Charter of the Board, approved 27 <sup>th</sup> February 2020.
Finance, Audit & Risk Committee	means a Sub Committee of the Board
Chair	means Chair of the Finance, Audit and Risk Committee as appointed by the Nominations Committee
Deputy Chair	means the Deputy Chair of the Finance, Audit & Risk Committee as appointed by the Nominations Committee
Constitution of SUSF	means the Constitution of Sydney University Sport and Fitness Limited as revised or amended from time to time.
Director	means a person appointed to the position of director of SUSF in accordance with the Constitution of SUSF.
SUSF	means Sydney University Sport and Fitness Limited ACN 634 542 644.

## 1. Terms of Reference of the Finance, Audit and Risk Committee

- (a) These Terms of Reference are made in accordance with the Board Charter.
- (b) Any revisions or amendments to these Terms of Reference must first be approved by the Finance, Audit and Risk Committee, and then be approved by the Board of SUSF.
- (c) All defined terms in this document referred to the defined terms of the Constitution.

## 2. Roles and Responsibilities of the Finance, Audit and Risk Committee

- 2.1 The Finance, Audit and Risk Committee is responsible for oversight of, and advice and recommendations to the Board on Financial Management, Risk Management and Internal and External audit.
- 2.2 The role of the Finance, Audit and Risk Committee is to assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to the following areas:

- (a) Ensuring appropriate policies, procedures and financial management practices, including internal controls are in place, regularly reviewed and updated where appropriate including the application of accounting policies;
- (b) Reporting of financial information to the Board on a regular basis, including variance analysis;
- (c) Overseas cash management including cash flow forecasting;
- (d) Recommendations to the Board for approval of the annual budget and any subsequent variations in addition to monitoring actual performance against budget;
- (e) Risk management framework and insurance coverage;
- (f) Business policies and practices;
- (g) Protection of assets, including approval and monitoring of capital expenditure budget;
- (h) Compliance with applicable laws, regulations, standards and best practice guidelines;
- (i) Providing a formal forum for communication between the Board and senior financial management;
- (j) Facilitating communication between the Board and the external auditors;
- (k) Facilitating the relationship with the external auditors, giving consideration to significant matters raised during the external audit process, review management responses to recommendations and approve subsequent issue of the report;
- (l) Recommending re-appointment of external auditors and remuneration to the Board at the Annual General Meeting;
- (m) Reviews ongoing relationship with external auditors, assessing their competencies and recommending whether to put the audit out for tender;
- (n) Recommending to the Board the signing of the annual statutory accounts and subsequent publication of the accounts report; and
- (o) Capital structure and management.

### **3. Membership to the Finance, Audit and Risk Committee**

3.1 Pursuant to clause 48.3 and 48.4 of the Constitution of SUSF:

- (a) At least one member of the Finance, Audit and Risk Committee must be a Director with appropriate qualifications.
- (b) Before the Board appoints a member to a Committee who is not a Director, the Nominations Committee must consider the proposed appointment and agree to the appointment on the basis that the person has the appropriate skills and experience to carry out their role.

3.2 Pursuant to clause 5.2 and 5.3 of the Board Charter:

- (a) The FAR Committee shall comprise of at least two non-executive Directors of SUSF, at least one of whom must be appropriately skilled and qualified to oversee and interrogate the company's financial statements.
- (b) In addition, the FAR Committee may engage the services of up to two external members with appropriate skills, knowledge and experience relevant to these Terms of Reference.
- (c) The appointment of any external members to the FAR Committee shall be subject to the approval of the Nominations Committee.

## **4. Finance, Audit and Risk Committee Administration and Conduct**

### **4.1 SUSF Support**

- (a) SUSF will provide to the Finance, Audit and Risk Committee such administrative or operational support as may be required in order to properly carry out its functions in accordance with these Terms of Reference and the Constitution of SUSF.

### **4.2 Meetings**

- (a) The Finance, Audit and Risk Committee will meet as often as the Chair of the Finance, Audit and Risk Committee deems necessary in order to fulfil the role, but no less than the number of Board meetings per calendar year (the Constitution requires the Board to meet no less than four (4) times per calendar year).
- (b) The Finance, Audit and Risk Committee will adopt an annual Finance, Audit and Risk Committee Calendar setting out the dates for each Finance, Audit and Risk Committee meeting and items to be covered at each meeting. The Finance, Audit and Risk Committee Calendar should be approved and adopted prior to the commencement of each year, but may be subject to change if the Finance, Audit and Risk Committee deems necessary.

### **4.3 Convening Meetings**

- (a) The Chair of the Finance, Audit and Risk Committee may submit a request in writing to the Company Secretary that an additional Finance, Audit and Risk Committee meeting be convened, and the Company Secretary must act upon that request.
- (b) Written notice of a meeting must be provided to all member of the Finance, Audit and Risk Committee giving at least 48 hours' notice. In practice, the Company Secretary will aim to give at least seven (7) days' notice of a meeting to all members of the Finance, Audit and Risk Committee, such notice to include the date, time and place of the meeting, along with the agenda setting out the general nature of the business to be conducted.

### **4.4 Agendas**

- (a) A detailed agenda together with supporting documentation must be distributed to Finance, Audit and Risk Committee members and other attendees at their given email address or by any other electronic means approved by the Finance, Audit and Risk Committee no less than three (3) working days prior to each meeting of the Finance, Audit and Risk Committee.
- (b) Members should seek the approval of the Chair of the Finance, Audit and Risk Committee for any matters they wish to include in the agenda no later than ten (10) working days prior to each meeting of the Finance, Audit and Risk Committee. The Company Secretary will be responsible for preparing the Finance, Audit and Risk Committee agendas for approval by the Chair.

### **4.5 Finance, Audit and Risk Committee Papers**

- (a) The Company Secretary and Chief Executive Officer are responsible for preparing the papers for Finance, Audit and Risk Committee meetings. The Chief Executive Officer may delegate the preparation of Committee papers to the relevant member of the senior management team working with the Company Secretary but retains responsibility for their quality and accuracy. Members should address all requests for the inclusion of additional reports and information to the Chair of the Finance, Audit and Risk Committee who will consolidate such requests prior to briefing management.
- (b) Finance, Audit and Risk Committee members should ensure they allow sufficient time to prepare thoroughly for Finance, Audit and Risk Committee meetings so that they are able to provide appropriate and constructive input on matters for discussion. If Finance, Audit and Risk Committee members feel they need further briefing prior to the meeting, they may contact the Chair who will liaise with the Chief Executive Officer for the necessary briefing to be provided.

#### **4.6 Attendance at Meetings**

- (a) Members have an obligation to attend all Finance, Audit and Risk Committee meetings. If a member cannot attend a Finance, Audit and Risk Committee meeting, they must provide notice to the Chair and Company Secretary as soon as possible and obtain consent from the Chair to be absent.
- (b) Members may attend by being physically present at a meeting, or with the prior approval of the Chair, by teleconference or other electronic means. The Company Secretary must ensure facilities are available in the meeting room to enable the effective participation of members of the Finance, Audit and Risk Committee who are not physically present - i.e. the technology must allow all members to simultaneously hear each other and to participate in the discussion. A member of the Finance, Audit and Risk Committee who participates in a meeting held in accordance with these Terms of Reference is taken to be present and entitled to vote at the meeting.
- (c) The Chief Executive Officer and other members of senior management and professional advisers may attend Finance, Audit and Risk Committee meetings only if invited by the Chair of the Committee. No person except a member of the Finance, Audit and Risk Committee may vote at any meeting.
- (d) The Chair of the Board is an ex-officio member of the Finance, Audit and Risk Committee, but may not have a vote at any meeting.
- (e) The Company Secretary or his/her delegate must attend all Finance, Audit and Risk Committee meetings as minute secretary.

#### **4.7 Chairing meetings**

- (a) If the Chair of the Finance, Audit and Risk Committee is present at a meeting of the Finance, Audit and Risk Committee, he/she will act as Chairperson of the meeting. If the Chair is not present at the meeting, or is ineligible to discuss or vote on a matter before the Finance, Audit and Risk Committee, the Deputy Chair will assume the role of Chairperson for that part of the meeting.

#### **4.8 Quorum**

- (a) The quorum for the Finance, Audit and Risk Committee is 50% of members.

#### **4.9 Voting**

- (a) Each member present (either in person or electronically) at a Finance, Audit and Risk Committee meeting may vote on any matter raised before the Finance, Audit and Risk Committee for a decision. Each member has one vote. Matters arising at a meeting of the Finance, Audit and Risk Committee are to be decided by a majority of votes.
- (b) The Chair of the meeting does not have a casting vote in addition to his/her deliberative vote.

#### **4.10 Decisions by written resolution**

- (a) Should the need arise for a decision to be made by the Finance, Audit and Risk Committee within a time frame which does not permit the convening of a meeting of the Finance, Audit and Risk Committee, the Chair may determine that the decision be made by written resolution, and that the identical wording be sent to all members at their registered email addresses with a reply date specified. The resolution is considered passed if 75% members attending and entitled to vote on the resolution sign the document confirming that they are in favour of the resolution set out in the document. The resolution is passed when 75% of all members have signed. The Finance, Audit and Risk Committee may determine what constitutes a signature for the purposes of passing decisions by written resolution. The minutes of the meeting must record that the meeting was held in accordance with this clause.

#### **4.11 Minutes of meetings**

- (a) The Company Secretary shall provide draft minutes of meetings held to all members for review within a fortnight of the meeting. The Chair will sign the final minutes after they are presented to the next scheduled meeting and are formally approved by Finance, Audit and Risk Committee members.

#### **4.12 Conflicts of Interest**

- (a) The Chair must request the declaration of any actual or potential conflict of interest relating to matters on the agenda at the commencement of each meeting. Any declared conflict must be noted in the minutes of the meeting, and the Chair must determine whether the member in question may participate in discussion but be excluded from voting on the relevant matter, or whether the member in question should be excluded from the discussion as well as the vote on the matter, in which case he/she will be required to leave the room.
- (b) Although the Chief Executive Officer does not have a vote on Finance, Audit and Risk Committee matters, there will be some issues which are more appropriately discussed among Finance, Audit and Risk Committee members without the Chief Executive Officer being present. It is therefore up to the Chair to determine whether there should be a regular non-executive session at the beginning or end of every meeting, or whether such sessions should be scheduled only when needed.

#### **4.13 Tenure**

The terms of the members will coincide with their terms on the Board, unless the Board determines otherwise.

## **5. Terms of Reference Review**

These Terms of Reference will be reviewed by the Finance, Audit and Risk Committee on an annual basis.

This version of the Finance, Audit and Risk Committee Terms of Reference was approved by the Board on .....