



## AWF Finance, Audit and Risk Committee Charter

### 1. Foundation

#### 1.1. Purpose

The Finance, Audit and Risk Committee (the **Committee**) appointed by the AWF Board (the Board) assists the Board in fulfilling its oversight responsibilities relating to the:

- preparation and integrity of the AWF's financial accounts and statements;
- internal controls, policies and procedures that the Board uses to identify and manage business risks;
- review the cash flow, capital and operating budgets and balances sheet prepared by the Financial Manager and recommend it to the Board for approval;
- monitoring of taxation obligations;
- periodic reviews of financial forecasts;
- financial requirements of the operational plan including any budgetary requirements or budgetary amendments caused by modifications to AWF activities due to variations in the key assumptions;
- approving businesses cases within the approved operational budget overseeing the property and procurement strategies;
- review the financial delegations and recommend amendments from time to time;
- AWF insurance activities;
- qualifications, independence, engagement, fees and performance of the AWF's External Auditor;
- External Auditor's annual audit of the AWF's financial statements; and
- AWF's compliance with legal, regulatory requirements and compliance policies.

The existence of the Committee does not imply the fragmentation or diminution of the Board's role to ensure the integrity of the AWF's financial reporting.

### *1.2. Authority*

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this charter to:

- perform the activities required to address its responsibilities and make recommendations to the Board;
- resolve any disagreement between AWF staff, Financial Manager and the External Auditor, with areas of significant disagreement advised to the Board;
- discuss any matters with AWF staff and the AWF Finance Manager, external auditor or other external parties (subject to any applicable confidentiality obligations);
- select, engage, and approve fees for any professional advisers that the Committee may require to carry out its duties;
- require the attendance of the AWF CEO, other staff, Finance Manager, other ISS at meetings as deemed appropriate; and
- have unrestricted access to the AWF staff, Finance Manager and information it considers relevant to its responsibilities under this charter.

### *1.3. Membership*

The Committee appointed by the Board shall comprise at least three members and consist of Directors and an independent individual who shall be qualified as a CA or CPA.

The Committee members shall be:

- “financially literate” as defined by the Board (i.e. able to read and understand financial statements and challenge information presented in Committee meetings); and
- in addition to the independent member, at least one other member shall have “accounting or related financial expertise” as defined by the Board.

Committee member rotation is encouraged.

The Company Secretary or their designate is the Committee Secretary.

### *1.4. Chair*

Following consultation with the Directors, the Board Chair proposes the Committee Chair for approval by the Board.

The Committee Chair must not be the Chair of the Board.

Should the Committee Chair be absent from a meeting, the Committee Members present must appoint a Chair for that particular meeting, who should not be the Chair of the Board.

### *1.5. Education*

The Board is responsible for providing new Committee members with an appropriate induction program and ongoing educational opportunities.

### *1.6. Meetings*

The Committee must meet at least twice per year and participants may attend by video conference (including Skype) and/or teleconference.

The Committee Chair, any Committee member or the Committee Secretary may call a meeting of the Committee.

### *1.7. Meeting Attendance*

Any person may be invited by the Committee Chair to attend meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation shall be issued to:

- Chief Executive Officer
- Finance Manager
- AWF Auditor or Auditor staff representative

### *1.8. Quorum and Voting*

A quorum must consist of two members of the Committee.

The Committee Chair shall not have a second or casting vote.

### *1.9. Minutes*

The Committee Secretary or delegate must prepare the minutes of the Committee within seven (7) working days. After the Committee Chair has given preliminary approval, the draft minutes are circulated to all Committee members and the other Directors.

### *1.10. Reviews*

The Committee will review at least annually this Committee charter and recommend to the Board for approval any appropriate amendments.

## **2. Duties and Responsibilities**

In assisting the Board in fulfilling its responsibilities, the duties of the Committee shall be:

### *2.1. Assessment of financial information*

- Review any significant accounting and reporting issues, including professional and regulatory announcements and to understand their effect on the AWF's financial statements.
- Review the AWF's annual financial statements which require approval of the Board and discussion of the financial statements with the External Auditor, CEO and Finance Manager before submission to the Board.
- Review, at least annually, the written attestations provided by the CEO and Finance Manager.
- Review, for potential conflicts of interest situations, and pre-approve all related party transactions on an on-going basis.
- Recommend for approval by the Board the draft annual budget and monitor performance against it;
- Advise the Board on the adequacy, framework and controls relating to the entity's internal budgeting and reporting;
- Advise the board on the cash flow, capital and operating budgets and review and advise the Board of any issues in relation to the liquidity needed to support the current operational and strategic plans;

### *2.2. External Auditor*

- Recommend to the Board the appointment, evaluation and dismissal of the External Auditor, including independence matters.
- Review and approve the External Auditor's proposed audit plan and audit approach, including materiality levels.
- Review and agree on the terms of engagement and the audit fees for the External Auditor prior to the commencement of each audit.
- Review the External Auditor's summary management report, detailing the results and significant findings from the audit, and management responses.
- Meet with the External Auditor, without CEO or Finance Manager present.

### *2.3. Business Risks and Internal Controls*

- Recommend the approval of AWF's risk management policy to the Board and oversee the risk management system and its resourcing.
- Recommend to the Board and monitor the AWF's risk profile developed by management, covering the principal enterprise-wide risks, including strategic, operational, legal and financial.
- Review and advise the board on the budgetary requirements for the annual operational plan and any issues resulting from the operational plan or variations to the plan.

- Review and advise the board on the key performance indicators to ensure they are tied to the value drivers and financial results;
- Review the operational effectiveness of the policies and procedures to risk and the AWF's internal control environment.
- Review and advise the Board on the adequacy of the AWF's response to reports from the Finance Manager and, as far as practicable, external audits
- Review the effectiveness of AWF's insurance activities.

#### 2.4. Compliance

- Review the effectiveness of AWF's approach to achieving compliance with laws, regulations, industry codes and AWF policies.
- Review any correspondence from regulatory bodies regarding significant issues.
- Ensure that there is a process for the Board Chair and Committee Chair to be immediately informed of any issues of significant non-compliance or litigation; when implemented.
- Ensure that the AWF is complying with the ASC mandatory governance requirements relating to sport transparency and reporting requirements.

#### 2.5. Reporting

- The Committee Chair will provide approved and signed minutes to the Board subsequent to each Committee meeting.

### 3. Finance Audit and Risk Committee Annual Agenda

	Scheduled meetings			
Structure and skills				
Review Finance Audit and Risk Committee charter and Annual Agenda				
Assess Committee's independence, financial literacy, skills and experience				
Establish number of meetings for forthcoming year				
Committee Chair to establish meeting agenda and required attendees				
Enhance financial literacy- update on current financial events				
Perform an evaluation assessment on the Committee's and individual Member's performance				

<b>Assessment of financial information</b>				
Review significant accounting and reporting issues				
Review financial matters affecting the year end				
Review and approve annual financial statements				
Review budgetary requirements for the annual operational plan				
Review any amendments to the annual operational plan and the resulting budgetary variations.				
Monitor performance against the budget and assess any risks				
Review attestations of the CEO and Finance Manager for Australian reporting standards				
Review with CEO and Finance Manager its evaluation of AWF's internal control structure and procedures for financial reporting, including any significant deficiencies or material weaknesses				
Review and discuss any reports submitted by the External Auditor detailing any instances of fraud or possible illegal acts on the part of the AWF Board, AWF staff or ISS				
Review process, policies and procedures for continuous disclosure obligations				
Review conflicts of interest and related party transactions				
<b>External Auditors</b>				
Recommend appointment and review performance				
Review audit plan and scope of audit work and any changes thereto				
Approve audit fees and terms of engagement				
Consider policy in relation to non-audit services				
Review and pre-approve non-audit services				
Consider objectively the independence of the External Auditor, including obtaining written confirmation of their independence				
Review the External Auditor's report and findings and progress on financial management practices				

Discuss any significant changes in accounting standards				
Discuss appropriateness of accounting policies, estimates and judgments				
Discuss the External Auditors' view on control environment, including fraud risk management				
Resolve any disagreement between CEO, Finance Manager and the External Auditor in the financial reporting and report any significant issues to the Board				
Discuss issues directly with the External Auditor without the presence of CEO and Financial Manager				
Review report from the External Auditor on quality control procedures				
Review the External Auditor's process for rotation				
Discuss the necessary response to the external auditors report				
<b>Business Risk and Internal Controls</b>				
Recommend the approval of the risk management policy to the Board				
Review and monitor business risks and internal controls and report to the Board				
Review and monitor budgetary risks resulting from variances in the operational plan assumptions				
Ensure staff and ISS remuneration risk and controls are linked to the overall risk profile				
Review insurance activities				
<b>Reporting</b>				
Maintain minutes and report to the Board				