

# ACWA Finance, Audit and Risk Committee Charter

## Introduction

The primary objective of the Committee is to ensure that there is a focus on issues relating to ACWA financial and risk management and integrity of the financial reporting for the Board.

The Board may discharge any of its responsibilities through Committees of the Board in accordance with the ACWA Constitution.

The terms of reference of each Committee require the Board's approval. The Board can regulate the Committee's activities.

## 1. Purpose

### 1.1 Budgeting, Planning and Monitoring Performance

- Prepare preliminary annual budget [5.1]
- Monitor financial progress against budget [5.4]
- Obtain and vet quarterly and annual financial reports to present to the board [5.5]
- Recommend auditors and approve the audit of the financial records [5.8]
- Manage financial resources of the organisation and ensure that expenditures remain within budget throughout the year [5.10]
- Obtain and vet quarterly and annual financial reports to present to the board [5.5]
- Recommend auditors and approve the audit of the financial records [5.8]
- Review and recommend changes to accounting practices [5.7]

### 1.2 Audit, Compliance and Risk

- Identify any legal matters related to the organisation, including responsibility for compliance with regulatory requirements [2.1]
- Review audit and compliance issues and report to the Board [4.1]
- Develop appropriate risk management strategies if required and keep the Board advised of their implementation and outcomes [4.2]
- Obtain appropriate insurance quotations which accommodate risk criteria [2.2]

### 1.3 Membership

- Determine membership fees [6.1]

## **2. Size**

The Committee will consist of three persons and include at least one director.

## **3. Composition**

The Committee will have a chair, who is not the chairperson of the Board, determined with the Board. Ideally leadership roles should be undertaken by a Director who has accounting or financial qualifications. The other members will have demonstrated financial literacy. The EO will not be a member of the Committee although may be asked to attend a meeting by the committee Chair.

The Committee may co-opt a person who demonstrates significant financial and or risk management skills and who holds accounting qualifications, with the approval of the Board. The Board chair is an ex-officio member of all Committees.

The Committee, with the approval of the Committee Chair, may invite management and external advisors to meetings from time to time.

## **4. Terms of Appointment**

The Committee is convened each year by the Board, which will determine its membership.

## **5. Conflicts of interest**

The Committee is required to operate within the terms set out in clause 9.4 of the constitution.

## **6. Termination of Membership**

The Board can remove any person from the Committee. A Director whose term expires is no longer a member of the Committee unless the Board agrees to their further co-option.

## **7. Meetings**

The Committee will devise its annual meeting plan taking into account deadlines of the Board for key recommendations.

The Committee meetings are regulated by the Constitution, this Charter and policy determined by the Board. The Charter also regulates the conduct of co-opted members of the Committee and advisers and visitors to the committee.

Any recommendations to the Board shall be provided to the next full board meeting.

Minutes of meetings shall be concise and include attendances, pecuniary interests, items discussed, outcomes with any recommendations requiring ratification by the Board.

A printed copy of the minutes, agreed by the Committee, shall be signed by the meeting chair at the next Committee meeting and retained by the EO.

## **8. Confidentiality**

All discussions, decisions and recommendations made at any committee meeting shall be confidential unless deemed otherwise by the Committee's Chair.