

Finance Committee Terms of Reference

Purpose and Scope

Finance Committee assists the Board to meet its fiscal responsibilities and achieve the objectives of the Strategic Plan.

Through regular meetings, it also provides a forum for communication between the Board and the Financial Manager.

The Finance Committee is responsible for:

- reviewing the financial position of the organisation
- undertaking financial planning (in line with the Roles and Responsibilities for Financial Planning and Management Policy and the Strategic Plan)
- ensuring the integrity of the organisation's financial reporting
- overseeing Annual Financial Audit
- providing recommendations to the Board on financial performance and financial strategies.

Background

The Finance Committee is a standing committee of the Board.

Meeting Frequency and Other Timelines

- The Finance Committee is ongoing.
- Meetings are to occur no less than three times a year.
- The Treasurer is required to call a meeting of the Finance Committee if requested to do so by any member of the Finance Committee, any Director, the CEO, or the Auditor.

Membership

Membership of the Finance Committee shall be appointed by the Board and shall comprise of:

- The Treasurer (Chair of the Finance Committee)
- Another Director
- CEO
- Financial Manager

Quorum

A quorum constitutes two members of the Committee, of which at least one must be a Director, present in person or by using any technology.

Specific Areas of Responsibility and Authority

Reviewing Financial Position

The Finance Committee takes a monitoring role, seeking clarification on expenditure items and raising any issues or concerns before presenting the monthly financial reports to the Board. This includes:

- the monthly reconciliation of accounts before being included in formal financial reports to the Board
- regular review of the financial reports and an appraisal of the financial performance of Hope Street
- regularly reviewing the organisation's revenues and expenditures, balance sheet, investments and other matters related to Hope Street's continued solvency
- timely and accurate written reports to the Board on all relevant financial matters
- monitoring the maintenance of the organisation's assets including prudent management of the organisational investments

Financial Planning

- developing a financial plan relating to the goals and outcomes of the Strategic Plan
- co-ordinating the Budget Preparation Process
- preparing a budget plan and timelines to ensure the budget is completed and approved for the beginning of the financial year
- reviewing and assessing the annual draft budget prior to recommending to the Board for approval.

Ensuring the Integrity of the Organisation's Financial Systems

- checking all the required financial systems are in place and working effectively
- regular monitoring of the processes for compliance with laws and regulations relevant to finance, audit and financial risk management.
- reviewing financial management systems
- overseeing the development financial policies and procedures for consideration by the Board
- ensuring the timely implementation of any recommendations from the Auditor
- monitoring and reviewing Financial Management policies as specified in the policies

Overseeing Annual Financial Audit

- making recommendations to Board on the appointment of an Auditor in accordance with the Audit Policy and Procedures
- overseeing the scope of work and performance of the external Auditor
- reviewing the audit fee
- reviewing the annual financial accounts before forwarding to the Auditor
- making a well considered recommendation to the Board that the annual financial accounts are signed-off
- ensuring annual audited financial statements and reports are lodged using form 388L, on time to the Australian Securities and Investments Commission
- discussing any problems and reservations arising from the interim and final audits, and any matters the auditors may wish to raise

Committee Performance Measures

Committee performance will be measured by:

- briefing the Board on financial indicators and fiscal responsibilities of Directors
- working collaboratively with other Board Committees to achieve the organisation's Strategic Plan
- evaluating the performance of the Finance Committee annually
- obtaining feedback from the Board on the Finance Committee's performance.

Governance/ Administration

Should the Treasurer not be available to convene the meeting, he/she may delegate the responsibility to another member of the Committee.

The Committee will keep minutes of its meetings – minutes taking will be determined by the people present. The minute taker shall circulate the minutes of meetings to all members of the Committee for comment. Draft minutes of the Finance Committee are to be tabled at the next Board meeting, along with any reports or recommendations of the Committee. The Treasurer is responsible for communicating any reports or recommendations to be made by the Committee to the Board.

Minutes of the Meeting will be confirmed or amended at the subsequent Committee Meeting.