

VERSION CONTROL

Version No.	Date	Responsible person	Details
1	Aug 2008	Executive Officer	Created document, board adopted Aug 2008.
2	Sep 2017	Executive Officer	Updated terms of reference to Charter, expanded on duties, changed member terms. Next review date Sep 2019
3	Sep 2018	Executive Officer/Committee Chair	Updated charter proposed, change of name from audit committee to finance committee
3.1	July 2020	Executive Officer/Committee Chair	Minor amendments to charter proposed, highlighted in document
4	Apr 2022	Executive Officer/Committee Chair	Changes highlighted, to be finalised with committee members at Sept 2022 meeting; next review date will be Sep 2024

The Board of Rural Financial Counselling Service Victoria - Gippsland ('RFCS Gippsland') has established a Finance Committee to assist it with the management of financial risk. This is the charter of the Finance Committee.

PURPOSE

The Finance Sub Committee ("Committee") is responsible for assisting the Board of RFCS Gippsland in discharging its responsibilities to safeguard the integrity of financial reporting.

The Committee's role is to provide appropriate advice and recommendations to the Board to assist the Board to fulfil its corporate governance responsibilities regarding financial reporting, the internal control environment relating to financial management and management of the audit function for RFCS Gippsland.

The Committee is responsible for reviewing annual budgets and assessing the principles and decisions on key budgetary assumptions. All major expenditure considerations and changes to annual budget forecasts from other sub committees must be assessed by the Finance Committee to determine financial impacts, prior to final board approval.

AUTHORITY

In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for strategic management and corporate governance rests with the Board.

The Committee has no executive powers and cannot make decisions on behalf of the Board.

The Chairperson of the Committee may, if considered reasonably necessary and in consultation with the Chair of the Board, request external advice to allow the Committee to meet its responsibilities.

The Committee is authorised by the Board to perform the activities and provide recommendations relating to all its responsibilities set out in this Charter.

In addition, the Committee is authorised to:

- seek explanations and additional information from management and any officer or employee of RFCS Gippsland pertaining to financial information and audit functions;
- recommend internal reviews or audits of any financial management process, based on risk assessment;
- meet with external auditors without management present;
- resolve any disagreements between management and the external auditors; and
- carry out any activities, determinations, decisions or resolutions delegated by the Board to the Committee.

The Committee will have access to all books, records, facilities and personnel of the RFCS Gippsland for the Committee to discharge its responsibilities.

MEMBERSHIP

The Board will appoint the members of the Committee and the Chair of the Committee (who must not also be the Chair of the Board).

The Committee will be comprised of a minimum of three members, two of which must be Board members.

At least one member will be a suitably qualified accountant, with all members sufficiently experienced to be able to competently and confidently understand the financial information presented to the Committee.

Additional committee members may be considered, but must be approved by Board Chairman.

The Committee members will be appointed annually by the Chair, typically following the AGM.

The Executive Officer and the Finance and Administration Officer will be non-voting members of the Committee.

The Executive Officer is responsible for ensuring that the Committee has adequate secretarial support and access to administrative resources.

The Chair of the board is to be invited to all Finance Sub Committee meetings, and all directors of RFCS Gippsland are entitled to attend Committee meetings on receipt of prior notice to the Chair of the Sub Committee.

MEETINGS

The Committee will meet at least quarterly, with additional meetings as required.

Meetings will be held prior to Board meetings, and will typically be scheduled for 60 minutes, depending on the agenda.

A quorum of the Committee meeting will be a minimum of two members.

The agenda (approved by the Chair) and supporting documentation should be delivered to the Finance Committee members, where possible by the last day of the week preceding the meeting.

Minutes of all Committee meetings will be taken and should be issued (in draft form) in the papers for the next full Board meeting, and within 14 business days after each meeting of the Committee.

The Committee minutes, agenda and supporting papers shall be made available to all Directors on the Board & Committee HUB, provided there is no actual or perceived conflict of interest.

RESPONSIBILITIES

Financial Matters

The Finance Committee shall consider and advise the Board on:

- the quality and effectiveness of reporting to the Board on financial management;
- significant accounting, tax and reporting issues, including complex or unusual transactions, and areas where significant management judgement is required, recent professional and regulatory pronouncements, and understand their impact on the financial statements;
- results of the financial audit, including any issues raised during the audit process;
- the completeness and accuracy of the Annual Financial Statements and that they are consistent with the information known to Committee members and reflect appropriate accounting principles; and
- the completeness and accuracy of the quarterly financial reports.

Internal Controls

The Finance Committee shall consider and advise the Board on:

- the effectiveness of the Company's internal control system, including information technology security and controls on the financial management system;
- the scope of any internal or performance audits and external auditors' review of internal control over financial reporting,
- reports on significant findings and recommendations, together with management's responses, from audit activity.

Compliance

The Finance Committee shall consider and advise the Board on:

- Regular reviews of the effectiveness of the system(s) for monitoring compliance with laws and regulations and the Deed of Grant financial requirements;
- Updates from management regarding compliance matters;
- Any matters raised by the external financial Auditor; and
- The annual review of RFCS Gippsland insurance register and adequacy of cover having regard to the business and insurable risks.

Risk Management

The Finance Committee shall consider and advise the Board on:

- Areas of significant financial risks (as identified in the Risk Management Plan and Risk Register) and ensure that appropriate actions are in place to manage business, legal, compliance and financial risks, including fraud;
- Impacts of RFCSV-Gippsland risk management framework on its control environment and insurance arrangements; and
- Assist with developing a risk management approach for any major projects or undertakings.

CONDUCT BY MEMBERS

All Committee members are expected to act in accordance with the Code of Conduct.

Conflicts of Interests must be declared and managed in accordance with Conflicts of Interest Policy

Members are bound by RFCS Gippsland Delegations Policy.

Due to their sensitive nature, items of Committee business remain confidential unless identified otherwise by the Committee.

INDUCTION AND REVIEWS

New Committee members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities, as per RFCS Gippsland Recruitment Policy and Induction Procedure.

The Committee chair will initiate a review of the Committee's performance in accordance with the board performance review requirements.

This Charter will be reviewed biennially and may only be amended by resolution of the Board.