



STORMWATER
AUSTRALIA

Finance Audit and Risk Committee Charter

STORMWATER INDUSTRY ASSOCIATION LTD

ACN 093578164

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1. PURPOSE

The purpose of the Finance Audit and Risk Committee is to assist the Board in fulfilling its governance responsibilities by providing oversight and direction of Stormwater Australia's financial and risk management programs.

In fulfilling its obligations, the Finance Audit and Risk Committee is to provide advice and recommendations to Stormwater Australia's Board ('Board') within the scope of its terms of reference as outlined in this Charter.

2. RESPONSIBILITIES

In supporting the Board's responsibilities, the duties of the Finance Audit and Risk Committee shall be to:

2.1. Financial Management

- a) Review and provide oversight of the development of the annual budgeting process.
- b) Monitor the financial performance against the Board's approved budget.
- c) Ensure that financial reporting is provided to an appropriate standard, specifically that it is reliable, timely and of the required quality.

2.2. External Audit

- a) Consider and make recommendations to the Board on an annual basis as to the recommendation of external auditors for ratification at the Annual General Meeting (AGM).
- b) Development of the annual audit plan in conjunction with management and the external auditor before the audit commences.
- c) Monitor the performance of the external auditor.
- d) Review the external auditor's annual financial report before distribution to the Board with appropriate recommendation(s).
- e) Discuss problems and concerns arising from the audit, and any matters the auditor may wish to discuss (in the absence of the Executive Officer where necessary).
- f) Review the auditor's management letter(s) including scope, interim and final reports.
- g) Review all representation letters signed by management.

2.3. Investments

- a) Oversight and monitoring of Stormwater Australia's financial investments.
- b) Approve any management recommendations regarding its investments.
- c) Monitor and ensure reporting to the Board on the financial performance of investments.
- d) Develop and review investment and reserve policies on an annual basis.

2.4. Compliance

Ensure there are processes in place to confirm compliance with laws, regulations, legal obligations, accounting standards and internal policies.

2.5. Internal Controls

- a) Ensure the adequacy and effectiveness of financial and non-financial controls including the exposure to cybersecurity threats, fraud and theft.
- b) Review the auditor's recommendations to internal control evaluations and monitor the implementation of agreed actions.
- c) Monitor all financial matters and review major expenditure proposals.

2.6. Risk Management

- a) Ensure there is an adequate risk management system developed and implemented.
- b) Monitor and review the Risk Register and other reporting of risk information to the Board, including steps to minimize such risks.
- c) Annually review insurance coverage and monitor the adequacy of insurances.

3. MEMBERSHIP AND MEETINGS

- 3.1. The Finance Audit and Risk Committee shall be appointed by the Board and comprise of up to three Directors of the Board.
- 3.2. The Board shall appoint a Director as Finance Audit and Risk Committee Chair, who shall not be the Chair of the Board.
- 3.3. The Chair of the Board will be an ex-officio member of the Finance Audit and Risk Committee.
- 3.4. The Executive Officer/representative is Secretary to Finance Audit and Risk Committee and will participate in all meetings as advised by the Chair.
- 3.5. Directors of the Board may attend meetings of the Finance Audit and Risk Committee.
- 3.6. All members of the Finance Audit and Risk Committee must be financially literate. It is desirable that at least one member has accounting or financial management expertise.
- 3.7. The Finance Audit and Risk Committee may invite any staff or external or internal auditor to attend all or part of a meeting of the Finance Audit and Risk Committee.
- 3.8. With Board approval, the Finance Audit and Risk Committee may procure independent experts and institute any investigation it considers necessary to fulfil its obligations and responsibilities.
- 3.9. A meeting quorum shall be at least two Committee members.
- 3.10. The Finance Audit and Risk Committee shall meet at least three times per year.

3.11. Membership of the Finance Audit and Risk Committee is to be reviewed by the Board annually.

4. AUTHORITY

4.1. The Finance Audit and Risk Committee acts as an advisory and review committee on behalf of the Board and as such does not have delegated decision making powers unless specifically stated by the Board.

5. REPORTING PROCEDURES

5.1. The Committee Secretary will be responsible for:

- a) Minutes – circulation to all Committee members for review within two weeks of meeting
- b) Collation of business papers, including agenda

5.2. The Chair of the Committee will report to the Board of Directors at the next possible Board meeting following each Committee meeting on all matters relevant and major Committee activity.

6. REVIEW AND ACCESS

6.1. This Charter will be reviewed every three years, or following significant operational, policy or as often as the Committee determines and recommend to the Board any changes it determines necessary.

6.2. This Charter is available on Stormwater Australia’s website and/ or a copy will be made available on request.

Version Number	Submitted by Committee	Approved by Stormwater Australia Board	Next Review Date
1-0	March 2018	March 2018	May 2021
2-0	September 2021	September 2021	September 2024