



Bocce Australia Limited (CLG) – ABN 24 703 226 127

Finance, Audit and Risk Committee Charter

The purpose of this charter is to clearly define the respective roles, responsibilities, and authorities of the Board's Finance, Audit and Risk sub-committee. Although each charter will be different, this template is indicative of matters that may be included but should not be seen as required or exhaustive.

1. Foundation

1.1. Purpose

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

- preparation and integrity of the Organisation's financial accounts and statements
- internal controls, policies and procedures that the Organisation uses to identify and manage business risks
- Organisation insurance activities
- qualifications, independence, engagement, fees, and performance of the Organisation's external auditor
- External auditor's annual audit of the Organisation's financial statements
- Organisation's compliance with legal, regulatory requirements and compliance policies.

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

1.2. Authority

The Board has authorised the Committee, within the scope of their 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 management and the external auditor, with areas of significant disagreement advised to the Board
- select, engage, and approve fees for any professional advisers that the Committee may require to carry out its duties
- require the attendance of any Organisation manager or staff member at meetings as appropriate; and
- have unrestricted access to management, employees 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.



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
- have at least one external and independent Member
- a Certified Practising Accountant or Chartered Accountant, and
- A Director appointed by the Board.

Committee member rotation is encouraged.

The Company Secretary or their designate is the Committee Secretary.

1.4. Chairperson

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

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

Should the Committee Chairperson be absent from a meeting, the Committee Members present must appoint a Chairperson for that particular meeting, who should not be the Chairperson 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 Chairperson, 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 Chairperson 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
- Chief Financial Officer/Finance Manager
- Engagement Partners of the External Audit Firm

1.8. Quorum and Voting

A quorum must consist of two members of the Committee.

The Committee Chairperson 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 or as soon as practical. After the Committee Chairperson 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 their 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 Organisation's financial statements.
- Review the annual financial statements of the Organisation which require approval of the Board and should an External Auditor be appointed, discussion of the financial statements with the External Auditor and management before submission to the Board.
- Review, at least annually, the written attestations provided by the CEO and CFO/Finance Manager.
- Review, for potential conflicts of interest situations, and pre-approve all related party transactions on an on-going basis.

2.2. External Auditor – should an External Auditor be required and appointed.

- 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 regularly with the external auditor, without management present.

2.3. Business Risks and Internal Controls

- Recommend the approval of the Organisation's risk management policy to the Board and oversee the risk management system and its resourcing.
- Recommend to the Board and monitor the Organisation's risk profile developed by management, covering the principal enterprise-wide risks, including strategic, operational, legal and financial.
- Review the operational effectiveness of the policies and procedures to risk and the Organisation's internal control environment.
- Review the effectiveness of the Organisation's insurance activities.

2.4. Compliance

- Review the effectiveness of the Organisation's approach to achieving compliance with laws, regulations, industry codes and Organisation policies.
- Review any correspondence from regulatory bodies regarding significant issues.



- Ensure that there is a process for the Board Chairperson and Committee Chairperson to be immediately informed of any issues of significant non-compliance or litigation; when implemented.

2.5. Reporting

- The Committee Chairperson will report to the Board on the Committee meetings regarding all relevant matters and appropriate recommendations in a written report or appropriate email format (with supporting material) for noting or approval by the Board.
- The Committee Chairperson will ensure that the Board Chairperson and the Board are immediately informed of matters that may impact significantly on the financial condition or reputation of the Organisation.

3. Audit and Risk Committee Annual Agenda – indicative agenda items

	Scheduled meetings			
Structure and skills				
Review 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 Chairperson 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				
Assessment of financial information				
Review significant accounting and reporting issues				
Review financial matters affecting the year end				
Review and approve annual financial statements				
Review attestations of the CEO and CFO/FM for Australian reporting standards				
Review with Management its evaluation of the Organisation'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 Senior Management				
Review process, policies and procedures for continuous disclosure obligations				
Review conflicts of interest and related party transactions				
External Auditors				
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 Management actions				
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 Management and the External Auditor in the financial reporting and report any significant issues to the Board				
Discuss issues with the External Auditor in the absence of Management				
Review report from the External Auditor on quality control procedures				
Review the External Auditor's process for rotation				
Business Risk and Internal Controls				
Recommend the approval of the risk management policy to the Board				
Review and monitor business risks and internal controls and report to the Board				
Ensure executive remuneration risk and controls are linked to the overall risk profile				
Review insurance activities				
Reporting				
Maintain minutes and report to the Board				



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