

2023

# Public Skills Australia

AUDIT, FINANCE AND RISK COMMITTEE  
TERMS OF REFERENCE

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# Audit, Finance, and Risk Committee Terms of Reference

## Purpose

1. This is the Terms of Reference (TOR) for the Finance, Audit and Risk Management Committee of the Board. These TOR's describe the Committee's remit, role, composition, responsibilities, membership and other important matters. The primary purpose of the Committee is to ensure the integrity of Public Skills Australia is demonstrated through good and proper governance, to achieve value for money outcomes through financial oversight, and to identify and manage financial and non-financial risks.

## Remit

2. The Committee will provide assistance to the Board of Directors in fulfilling the Board's oversight responsibility and will include monitoring the:
  - effectiveness of the Risk Management Plan
  - integrity of financial statements
  - effectiveness of grant reporting
  - compliance with legal and regulatory requirements
  - independence of the independent auditor and their qualifications
  - compliance and quality of the internal accounting function and external audits.

## Role and Responsibilities

3. The Committee will:
  - assist the Board in relation to the oversight and reporting of financial information
  - ensure the appropriate application and review of accounting policies and procedures
  - make recommendations to the Board about the appointment and remuneration of the external auditor
  - with respect to risk management, review and report on areas of potential risk.

The Committee's key responsibilities and functions are to:

- oversee the preparation, presentation and integrity of financial statements, including reviewing financial statements and reports and the application of accounting principles
- oversee the company's internal financial controls and systems
- identify and manage financial and non-financial risks, including implementing a risk management framework and associated actions and strategies.

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### Membership:

4. The Committee constitutes a maximum of 4 positions (comprising of 3 Board Directors and the Chair). The Committee must:

- be comprised of a majority of Independent Directors<sup>1</sup>; and
- be chaired by an Independent Director, who is not the Chair of the Board.

The Board appoints Directors to the Committee who hold finance, audit and risk management expertise, and of these appointees elects a Chair for the Committee.

5. Committee members are appointed for a two-year period and are eligible for reappointment for a further two terms of two years each, which may be extended at the Board's discretion.

### Role of the Chair

6. In addition to the leadership role of an office bearer, the Chair of the Committee is responsible for the efficient functioning of the Committee and must:

- be familiar with contemporary standards, practices and concepts in risk management.
- understand the statutory financial reporting requirements of Public Skills Australia as a Not-for-Profit organisation in respect of financial record keeping and legal requirements of reporting.

### Role of other members:

7. Members must hold skills relevant to a finance audit and risk committee and be free from any interest and any business or other relationship that could, or could reasonably be perceived to, materially interfere with the member's ability to act in the best interests of Public Skills Australia.

### Meeting Proceedings

8. The Committee will hold regular meetings during the course of the year. Additional ad hoc meetings may also be called by the Chair of the Committee. The agenda and supporting papers must be distributed at least five working days prior to each meeting.

### Quorum

9. Quorum is two Committee members. Where the Chair is absent from a meeting, the Committee must nominate a member to Chair that meeting.

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<sup>1</sup> This term is defined in the company's Constitution and in the JSC Code of Conduct.

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### Absence from Meetings

10. Where possible, absences should be advised in advance and agreed with the Chair prior to the meeting or as soon as practical following the meeting where circumstances did not allow prior notice.

### Conflicts of Interest

11. The Chair remind members at the beginning of each meeting of their obligation to declare any conflicts of interest in relation to matters being dealt with by the Committee. Any relevant conflicts of interest will be recorded and managed in accordance with the company's Conflict of Interest Policy.

### Minutes

12. Public Skills Australia is responsible for keeping the Minutes of all Committee meetings. Draft minutes will be prepared and sent to the Chair as soon as possible after meetings. Public Skills Australia will provide the Board with copies of all minutes and resolutions of the Committee upon request from the Board.

### Reviewing this policy

13. This policy will be reviewed when applicable and within 3 years