

## Finance, Risk and Audit Committee Charter

The Finance, Risk and Audit Committee (Committee) is a Sub-committee of the Board of Homes Tasmania (Board). It is established as part of the governance structure of the organisation and pursuant to the requirements of the *Homes Tasmania Act 2022* and Ministerial Statement of Expectations as may be set by from time-to-time. The Auditor-General of Tasmania is the external auditor of Homes Tasmania.

**The purpose** of the Committee is to assist the Board discharge its responsibilities as an accountable authority. The Committee is established by the Board and its powers are delegated by the Board, which retains responsibility for the decisions, performance and outcomes of the Committee and should therefore monitor the Committee's activities.

The Committee's **functions** are:

### 1. Financial Management

- 1.1 Recommend the annual budget submission to the Board and for inclusion in the State Government Budget process
- 1.2 Review the reporting of financial information presented by management to the Board and other stakeholders
- 1.3 Review the annual financial statements and auditor's report recommending to the Board for approval
- 1.4 Review the application of current accounting practices, accounting standards and accounting policies
- 1.5 Review financial management processes, procedures and policies
- 1.6 Monitor the financial position and performance of the Homes Tasmania.

### 2. Capital Management

- 2.1 Develop and review Board policies that guide the management of the investment activity, risk and internal controls
- 2.2 Review and monitor the capital funding model/s, financing, capital requirements, joint ventures and commercial activities
- 2.3 Make recommendations to the Board in relation to debt and capital optimisation
- 2.4 Review the debt and equity position on an annual base, or more frequently if required due to significant portfolio changes, with a focus on loan covenants, competitive pricing, relevance, sustainability and affordability
- 2.5 Review the cash at bank position on a quarterly base and provide the Board with recommendations on allocation of these funds.

### 3. Audit

- 3.1 Review external audit proposed scope and approach
- 3.2 Manage, on behalf of the Board, the relationship between Homes Tasmania and the Office of the Auditor-General including resolving any disagreements between the external auditor and management
- 3.3 Review with auditors and management, significant accounting policies and reporting issues including management judgements and accounting estimates, significant changes to Homes Tasmania's accounting principles, controls, procedures and practices, paying particular attention to complex and/or unusual transactions

- 3.4 Monitor and review management actions and responses to address issues raised by external auditor
- 3.5 Monitor and review any restrictions on audit scope, access to management or access to information placed on the external auditor
- 3.6 Monitor other projects carried out by the Tasmanian Audit Office for relevance to Homes Tasmania.

#### 4. Risk management

- 4.1 Review and provide advice to the Board on the organisation's strategic and operation risk management framework, risk appetite and controls
- 4.2 Review and provide advice to the Board on the extent and effectiveness of the organisation's business continuity and disaster recovery plans
- 4.3 Review and provide advice to the Board on the adequacy of insurance coverage for physical and intellectual property assets, employees, contractors and Directors
- 4.4 Consider the appropriateness of the internal control "culture" through monitoring internal and external audit reports, management responses and the level of understanding of roles and responsibilities displayed by employees
- 4.5 Monitor compliance with applicable laws, regulations, standards and best practice guidelines
- 4.6 Monitor the contractual performance and compliance of service providers and sub-contractors.

#### 5. Compliance

- 5.1 Monitor the procedures in place to ensure the organisation is complying with legislative and reporting requirements
- 5.2 Review and providing advice to the Board on the organisation's compliance framework
- 5.3 Review compliance reports from management on a biannual basis or as otherwise required
- 5.4 Review and provide advice to the Board on the organisation's Financial Authorisation Framework.

#### 6. Other responsibilities

- 6.1. Institute or oversee additional activities as needed or requested
- 6.2. Ensure the Committee has sufficient resources to carry out its responsibilities
- 6.3. Review any cases of fraud, legal or policy non-compliance or other issues of significance
- 6.4. Review and assess the adequacy of this charter annually
- 6.5. Evaluate the performance of the Committee and its members on a regular base.

#### **Powers**

In discharging its functions and duties, the Committee is authorised by the Board, subject to Board approval, to obtain external professional advice (including legal), and seek information from any employee or parties outside of Homes Tasmania, and require attendance of Homes Tasmania officers at meetings of the Committee.

### **Membership, structure and process**

The Board will invite expressions of interest from independent, suitably qualified people for appointment to the Committee. Membership would typically require moderate to advanced knowledge, skills or experience in finance, accounting, risk management or similar.

The Committee will comprise no less than two (2) Board Directors and three (3) external members. External members will be appointed by the Board annually and may be changed at the absolute discretion of the Board. Members will serve for a maximum of 4 years.

The Board will appoint a Director as Committee Chair. The Board Chair and any other Directors may attend Committee meetings but unable to vote on Committee matters.

The Committee will meet often enough to undertake its role effectively, but not less than four (4) times per financial year. Special Meetings may be convened as required. The Chair of the Committee will preside at all meetings at which they are present. If the Chair is not present at a meeting, the Members present will decide an interim Chair.

The Committee will develop an annual program that may include opportunities for the Committee to meet independently with management, external and internal auditors, or other people. The Committee should meet with the external and internal auditors at least once a year without management being present.

An agenda and papers for a meeting will be distributed to all Committee members at least seven days in advance of the meeting. Late papers will only be accepted with the approval of the Committee Chair. The agenda, papers and minutes will be made available to every Director providing no conflict of interest exists.

A quorum is constituted by two Directors and a majority of the total number of members appointed. The Committee will consider members present and able to participate in person, by telephone or video conference.

In addition to the members of the Committee, the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) or their delegates will attend the meetings but have no voting rights. Other Homes Tasmania staff and external people may attend meetings at the invitation of the Committee. The CEO or their delegate will perform the duties of Committee Secretary.

The Committee Chair or their delegate will report to the next Board meeting following a Committee meeting. The report will include an update on the Committee's activities, any matters considered of importance, and recommendations for the Board's consideration.

Minutes of the Committee meeting will be kept by Secretary and distributed to all Committee members and the Board, after preliminary approval by the Committee Chair.

### **Conflicts of interest**

The standard for declarations of interest Committee members will be the same as those for Board Directors. Committee members will provide annual written declarations, through the Chair, to the Board declaring any interests they may have in relation to their responsibilities. Members must also declare any interests at the start of each meeting and/or as circumstances arise.

### **Committee performance evaluation**

The Committee will review its performance and composition at least annually to determine whether it is functioning effectively by reference to this Charter and current best practice. The Committee evaluation will be presented to the Board.

### **Review of charter**

The Committee will review this Charter at least annually and make recommendations to the Board as to any changes it considers should be made. The Charter may be amended by resolution of the Board.

**Who to contact**

Any questions relating to the interpretation of this Charter should be forwarded through the Homes Tasmania CEO to the Chair of the Board.

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