

## Australian Shareholders' Association – Finance, Audit, and Risk (FAR) Committee Charter

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## **1. Purpose**

This Charter specifies the authority delegated to the Finance, Audit, and Risk (FAR) Committee by the Board of the Australian Shareholders' Association (ASA).

The FAR Committee assists the Board in fulfilling its oversight responsibilities regarding:

- Financial management, including budgeting, reporting, investment oversight, and revenue recognition.
- Internal controls and risk management, ensuring integrity in ASA's financial and operational activities.
- The external audit process, including auditor selection, independence, and audit findings.
- Compliance with statutory obligations and ASA internal policies.

## **2. Authority**

The FAR Committee may, within the scope of its responsibilities:

- Perform activities and make recommendations to the Board consistent with its responsibilities pursuant to Clause 6.
- Engage advisers, as necessary, to assist in carrying out its duties, subject to Board approval.
- Have access to management, employees, and all relevant financial information to perform its functions effectively.

The FAR Committee has no executive powers and does not relieve the full Board of its responsibilities.

To perform their role effectively, Committee members will maintain strong working relationships with the Board, management, and external auditors, and continuously develop their skills and knowledge regarding ASA's financial and risk environment.

## **3. Composition of the Committee**

- The FAR Committee is a Board-appointed committee.
- The Board approves all Committee appointments, including the Chair.
- The Committee will consist of at least three (3) members.
- Members must be financially literate, with at least two (2) members possessing accounting or financial expertise.
- The Committee will appoint a Secretary, who, together with the Chair, will coordinate meetings, notices, minutes, and governance.

- The Chair of the Board may be a member but cannot chair the FAR Committee.
- The CEO is not a member of the Committee but may attend meetings at the invitation of the Committee.
- The Committee is reconfirmed annually by the Board.
- The skills and performance of the FAR Committee members will be reviewed biennially by the Board.

#### **4. Meetings, notice, agenda, and minutes**

- The Committee will meet at least quarterly and additionally as required.
- A quorum is the smallest number greater than half the members.
- The Chair of the Committee will develop or approve the agenda for each meeting based on an annual work plan.
- Members must disclose any conflicts of interest at the beginning of each meeting.
- Meetings may be held in person or via technology to allow full participation.
- The notice and agenda of each meeting will include relevant supporting papers.
- The Committee may invite non-members, advisers, or management personnel to attend meetings as necessary, ensuring confidentiality is maintained.
- The Committee Chair will communicate key decisions to the Board after each meeting.

#### **5. Secretariat duties**

- Meeting proceedings are minuted, ratified by attending members, signed by the Chair, and filed appropriately.

#### **6. Responsibilities of the Committee**

##### **1. Risk management and compliance**

- Work with the CEO to establish and quarterly review ASA's risk appetite for Board approval.
- Oversee the identification, assessment, and management of financial, investment, fraud, anti-money laundering, operational, and reputational risks.
- Monitor adherence to ASA internal policies and statutory obligations.
- Escalate material breaches and residual risks to the Board.
- Review the CEO's risk report on a quarterly basis.

## **2. Financial oversight**

- Provide strategic oversight and advice on financial management, ensuring ASA operates in line with best practice financial governance standards.
- Assist in evaluating financial policies and reporting structures to enhance transparency, efficiency, and financial resilience.
- Periodically review financial controls, processes, and reporting formats to support accurate financial planning and decision-making.
- Collaborate with the CEO to prepare the annual budget for Board approval.
- Monitor budgets, forecasts, and financial performance.
- Review investment decisions, ensuring compliance with ASA policies.
- Assess management accounts and statutory accounts for Board adoption.
- Develop and review the CEO's expenditure delegations for Board approval.

## **3. Financial reporting**

- Oversee financial reporting, ensuring regulatory compliance.
- Review significant accounting and reporting issues.
- Ensure that member revenue recognition aligns with leading financial practices and regulatory requirements.
- Oversee periodic reviews of revenue recognition policies to ensure consistency, compliance, and alignment with ASA's strategic objectives.
- Recommend adjustments to revenue recognition methodologies where necessary, ensuring transparent and reliable reporting.
- Meet with the CEO and external auditor to review audit findings, financial statements, and accounting policies.

## **4. External auditor oversight**

- Assess the qualifications, independence, and performance of the external auditor.
- Recommend the appointment, reappointment, or termination of the external auditor.
- The Committee may meet privately with the external auditor annually, while maintaining regular discussions that include management.

## **5. Reporting responsibilities**

- Provide regular updates to the Board on financial, risk, and audit matters.

## **7. Committee performance evaluation**

- The Committee will conduct an annual performance assessment of its members.
- A formal Committee performance review will be conducted every two years, assessing effectiveness, processes, and governance.
- The Committee will report findings and recommendations to the Board and seek feedback from management and external auditors.

## **8. Review of the Charter**

- The FAR Committee will review this Charter every two years, making recommendations for updates to the Board as needed.
- The Charter will be available on the ASA website.