



Finance Committee Terms of Reference

1. Title

1.1 The committee will be known as the Finance Committee (Committee).

2. Purpose

2.1 The purpose of the Committee is to provide independent assurance and assistance to the Branch Executive Committee (BEC) of The Scout Association of Australia ACT Branch Inc. (Branch) in fulfilling its responsibilities under the *Associations Incorporation Act 1991 (ACT)* and the *Australian Charities and Not-for-profits Commission Act 2012 (Cth)* and the Branch's Constitution, in relation to financial management, financial reporting and internal financial control. The Committee also monitors compliance with relevant requirements of applicable laws, regulations and rules.

2.2 The Committee is a sub-committee of the BEC.

3. Duties and Responsibilities

3.1 Financial

- 3.1.1 Review draft operating and capital budgets and cashflow forecasts prepared by management to reflect the Branch's operational plans, including Camp Cottermouth. The Committee is required to satisfy itself as to the acceptability of the annual budget before making recommendations to the BEC. The BEC itself is responsible for adopting the budgets, and if necessary, making appropriate amendments.
- 3.1.2 Monitor the financial performance of the Branch during the year, both against budget and by reviewing key performance drivers. Hold discussions on relevant matters with management.
- 3.1.3 Review the draft Annual Financial Statements and undertake an assessment of the financial result and the correctness and completeness of disclosures and the application of the Branch's accounting policies, having regard to relevant legislative and other requirements.
- 3.1.4 Review the Branch's fraud control plan and satisfy itself that the Branch has appropriate processes and systems in place to capture and effectively investigate fraud related information.
- 3.1.5 Review whether a sound and effective approach has been followed in establishing the Branch's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.

3.2 Internal Control Framework

- 3.2.1 Review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisors, is sound and effective.
- 3.2.2 Consider how management identifies any required changes to the design or implementation of internal controls.

3.3 Compliance and Governance

- 3.3.1 Review the financial statements and provide advice to the BEC (including whether appropriate action has been taken in response to audit recommendations and adjustments) and recommend their signing by the Chair of the BEC and Treasurer.
- 3.3.2 Satisfy itself that the financial statements are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal controls.
- 3.3.3 Evaluate the adequacy and effectiveness of financial legal and regulatory compliance control and reporting systems.
- 3.3.4 Ensure compliance with financial laws, regulations, the Branch's constitution and policies, contractual government or other commitments and discharging reporting or other requirements of regulators.
- 3.3.5 Advise and assist BEC to ensure that an appropriate financial governance framework and processes are in place.

3.4 External Audit

- 3.4.1 Act as a forum for communication between the BEC, senior management and external audit.
- 3.4.2 Review all external audit plans and reports and monitor management's implementation of audit recommendations.
- 3.4.3 Provide advice to the BEC on action taken on significant issues raised in relevant external audit reports.
- 3.4.4 Evaluate the performance of the external auditors and makes recommendations to the BEC on their continued appointment or replacement.

3.5 Other

- 3.5.1 Undertake such other related, relevant and appropriate activities that may be requested by the BEC.

4. Framework and Context

4.1 Committee establishment and membership

- 4.1.1 The Committee members will be appointed by the BEC. The names of the Committee members will be recorded in the BEC minutes. BEC will appoint the Chair from among the Committee members. It is preferred and encouraged that the Chair is the Treasurer.
- 4.1.2 The Executive Officer is a full member of the Committee. The Branch President and the Chief Commissioner will be ex-officio members of the Finance Committee, with voting rights and shall count towards quorum.
- 4.1.3 The Chair may, with BEC approval, co-opt additional expertise to the Committee. Committee members should have the appropriate skill, knowledge and experience to undertake the functions and responsibilities of the Committee.

5. Authority

- 5.1 The Committee is advisory only and not a decision-making committee.
- 5.2 The Committee is charged by the BEC to undertake its approved role and purpose and discharge the activities detailed in this document.
- 5.3 Other than the Executive Officer, the members of the Committee are not employees, and their role does not extend into operational management of the Branch.
- 5.4 Subject to budgetary approval, the Committee may retain independent legal counsel, specialist accountants or experts to assist it to perform its functions.

6. Meetings

- 6.1 The Committee will ordinarily meet ten times a year and as required by changed or special circumstances. The likely meeting time will be 1-2 hours.
- 6.2 The external auditor should attend at least one meeting annually.
- 6.3 Once a year, the Chair may request an 'in camera' meeting of Committee members only with the external auditors, and other selected invitees as appropriate, without staff members present.
- 6.4 A quorum will be more than half the members. In the Chair's absence, members present will select a Chair for that meeting.
- 6.5 All members are expected to attend every meeting either in person or via telephone or videoconference.
- 6.6 The notice and agenda of a meeting will include supporting papers.

7. Voting

- 7.1 All matters requiring decision will be decided by a simple majority of votes of members present. The Chair has no casting vote.

8. Conflicts of Interest

- 8.1 Conflicts of Interest of members should be avoided.
- 8.2 Committee members are to disclose all conflicts of interests and potential conflicts of interest at the commencement of each meeting and the Committee will determine if the participation of a committee member should be limited because of a determined conflict of interest.
- 8.3 Conflicts are to be recorded in a Conflicts Register. Should a conflict cease this is to also be notified and the register updated.
- 8.4 Members and invitees having a real or perceived conflict of interest may not participate in any discussion on the conflicted matter.

9. Confidentiality

- 9.1 Unless required by law or the Branch Constitution, all Committee discussions and documentation are confidential to the Committee, relevant staff, the auditor and the BEC.

10.Minutes

- 10.1 Minutes will be written, approved by the Chair and circulated to the members of the Committee (by electronic soft copy if appropriate) within 2 weeks of a meeting. The minutes will be subsequently ratified at the next meeting.
- 10.2 The Committee may determine that minutes or part thereof may be kept confidential to the Committee and the BEC.

11. Reporting

- 11.1 The Committee will submit a report to each meeting of the BEC. The Chair of the Committee will report to BEC in person at least annually.

12. Review

- 12.1 The Committee will review these Terms of Reference annually and submit the revised Terms of Reference to BEC for approval.

Approved by the Branch Executive Committee: 30 January 2025