

## **Audit and Risk Committee**

### **TERMS OF REFERENCE**

#### **1. Purpose**

The audit and risk committee shall be a committee of the board established by the board.

The purpose of the Audit and Risk Committee is to assist the board in discharging its responsibilities with respect to overseeing all aspects of financial and non-financial reporting, control and audit functions and organisational risk and to provide independent assurance on financial reporting and NNZ's risk, control and compliance framework.

#### **2. Membership**

- a. The Audit committee shall comprise members of the board, appointed by the board.
- b. It shall comprise of up to four (4) members with a minimum of two (2) members appointed by the Board annually,
- c. The CEO shall not be a member of the committee
- d. The Board shall appoint one of the Board appointees to be the Chairperson. The Board shall also fill any vacancy on the Committee.
- e. The Audit & Risk Committee shall have the right to co-opt other members to the Committee from time to time for the purpose of achieving specific objectives.
- f. The Committee shall be structured to include members with (1) financial skills including the ability to read and analyse financial statements, (2) a good understanding of business and financial risks and related controls and control processes (3) a sound knowledge of the industry and a commitment to and knowledge of core service delivery principles and practices
- g. A quorum shall be 2 members
- h. periodic rotation of the members appointments is to be encouraged

#### **3. Operating Principles**

- a. The Committee may have in attendance such members of management and such other persons as it deems necessary to provide appropriate information and explanations.
- b. All directors shall be entitled to attend all meetings of the Audit and Risk Committee.
- c. The Committee shall have the right to go 'in committee' as required.
- d. The convenor shall call a meeting of the Audit and Risk Committee if so requested by any Committee member, the board, the internal audit manager or the external auditors.
- e. The convenor shall draw up an agenda to be circulated at least one week prior to each meeting. The agenda shall be distributed to the members of the Committee, the external auditors and other invitees.

- f. The finance manager, programme managers and the external auditors shall be given adequate notice of all meetings and shall have the right to attend and speak.
- g. Meetings shall be held at least four times each year or as and when necessary. Meetings are to be held (1) at the planning stage of the external audit (2) prior to the board meeting approving the annual report and financial statements (3) at scheduled times during the year in accordance with the committee's planned programme.
- h. The Committee will develop an annual audit plan that shall be reviewed and authorised by the board.
- i. The Committee is authorised to obtain external resources as required to assist with its work.
- j. The Committee will give notice to management of its programme and requirements for access to key financial and other personnel and all relevant records.
- k. The Committee shall report to the board after each committee meeting or as specified or requested by the board. Committee meetings shall be minuted, a copy to be tabled at the following board meeting. Additionally, the Committee shall submit an annual report to the governing body summarising the committee's activities during the year and the related significant results and findings.
- l. The Committee shall annually conduct an assessment of its effectiveness and the contribution of individual Committee members. Changes in personnel, roles or responsibilities shall be determined by the board.

#### **4. Responsibilities**

The responsibilities of the Committee are as follows:

- a. Identification of the broad risk parameters within which Netball New Zealand operates and to bring to the board's notice all such risks as the Committee feels should be addressed by the board;
- b. oversight and monitor of the effectiveness of the Chief Executive's risk management programme and periodically to report to the board on the effectiveness of this
- c. liaison with internal and external auditors;
- d. review of the annual audit plan with the auditors;
- e. review of audit findings and the annual financial statements
- f. review the appointment of the external auditors and their fees
- g. review the independence of the external auditors and the appropriateness of any non-audit services that they undertake
- h. review interim financial information
- i. review of the integrity of the Chief Executive's financial and non-financial reporting to the board;
- j. oversight of compliance with statutory responsibilities relating to financial and non-financial disclosure;
- k. review of internal financial systems and accountabilities;
- l. ensuring that recommendations highlighted in the internal and external audit reports are actioned by management;
- m. supervision of special investigations in areas of financial and non-financial performance when requested by the board.
- n. review changes to accounting policies

In addition, the Audit and Risk Committee shall examine any other matters referred to it by the board.

**5. Authorities**

The Audit & Risk Committee shall, in respect of the matters for which it has a function (as set out in NNZ Regulation 9), have the authority to:

- a. Make recommendations to the board on all matters requiring a decision.
- b. Seek any information it requires from the Chief Executive who shall co-operate with any request made by the Committee.
- c. The Committee shall have the authority of the board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with relevant experience and expertise if it considers this necessary.
- d. The Audit and Risk Committee shall have no executive powers with regard to its findings and recommendations other than those bestowed by the board.
- e. discuss any matters with the external auditor, including without management present

**6. Review of the committee and the charter**

The committee shall undertake an annual self-review of its objectives and responsibilities, and of its charter. Such objectives, responsibilities and charter shall also be reviewed by the board and any other person considers appropriate.

**7. Reporting procedures**

- a. The committee shall maintain direct lines of communication with the external auditors, the CEO and the Finance Manager.
- b. The CEO and Finance Manager shall be responsible for drawing to the committee’s immediate attention any material matter that relates to the financial condition of NNZ, any material breakdown in internal controls, and any material event of fraud or malpractice.
- c. The committee shall be provided with copies of all correspondence between the external auditors and management.
- d. After each meeting the chair will report the committee’s recommendations and findings to the board. The minutes of all committee meetings shall be circulated to member of the board.

Terms of Reference Approved	
Previous Review Date:	June 2021
Review Date:	April 2022
Next Review Date:	April 2025
Reviewed by:	Audit and Risk Committee
Approved by:	Board
Signature	