

# CEHL FINANCE AND RISK COMMITTEE

## GOVERNANCE CHARTER

Revision approved by the Board 28 February 2018

### 1. Purpose and Appointment by the CEHL Board:

In the context of this Committee the Board is responsible for the oversight of effective arrangements regarding:

- Financial Management;
- Financial Reporting, Annual Audit and Internal Audits;
- Risk Identification; and
- Risk Management.

The Board has established the CEHL Finance & Risk Committee (the Committee) to assist it to discharge this responsibility.

This Governance Charter sets out the roles, responsibility and operational requirements of the Committee as delegated by the CEHL Board.

Financial Reports, the CEHL Risk Register, and Financial and Risk Policies are the core documents for monitoring and review by the Committee.

### 2. Authority

The Board authorises the Committee, through the Committee Chair, to:

- Seek any information it requires from employees of CEHL; and
- Commission independent financial, risk, actuarial, valuation, insurance, legal or other consultants to advise the Committee or assist the Committee in the conduct of its duties.

### 3. Role of the Committee

To review finance and risk matters, make recommendations to the Board and to assist the Board to engage with such matters in a strategic, timely and relevant manner.

### 4. Duties and Responsibilities

The Committee will advise the Board in relation to key financial, risk related and other matters. In fulfilling these functions, the Committee will perform the oversight and review functions as outlined in *Attachment A: Guidance areas for the Committee's oversight & review.*



## 5. Membership, Quorum and Decision Making

The Committee is a formally approved committee of the Board and will comprise at least **five** Committee Members each holding one Committee Voting Right:

- Not less than **two** Non-Executive Directors of the Board (one whom will be Chair of the Committee);
- Appointed by the Committee, a CEHL Member or external individual who is experienced in finance and risk matters;
- CEHL's Managing Director; and
- CEHL's Corporate Director or Company Secretary;

A quorum of the Committee shall be at least three Committee Members, one of who must be a Non-Executive Director of the Board.

CEHL's Board Chair is an ex-officio member of the Committee and is entitled to attend any or all Committee meetings. Any CEHL Director not a member of the Committee shall be entitled to attend meetings as an observer.

The Committee will meet at least **four** times per year and more often as considered necessary.

Membership of the Committee will be reviewed on an annual basis at the CEHL Board Meeting following the AGM.

Each member of the Committee shall have one vote. Resolutions will be decided by majority voting. Equal votes shall mean the resolution is lost. Dissenting member/s may upon request have their views recorded in the Minutes.

Recommendations to the CEHL Board will be considered at the next Board meeting following the Committee meeting or via out of session or circular resolution.

## 6. Invitees

The Manager - Finance (who shall be responsible for the secretariat function of the Committee) and Senior Executives will attend Committee meetings for relevant sessions as requested.

The Committee may at its discretion decide to meet without CEHL employees present.

The Committee may at its discretion request other employees and/or consultants attend the Committee Meeting.

## **7. Administration, Meeting and Review**

*Agenda:* Each Member has the right to place items on the Agenda. The Agenda will be finalised by the Chair. The required papers will be circulated with the Agenda not less than 5 days prior to the meeting

*Minutes:* Minutes will be taken and circulated to Committee Members within two weeks of the meeting. Once approved by the Committee Chair they will be circulated to the Board with recommendations clearly set out for Board consideration. The Committee Chair shall report to the Board.

*Conflicts:* Members will be invited to disclose any conflicts of interest at the commencement of each Committee meeting. Where Members are deemed to have a real or perceived Conflict of Interest they are required to excuse themselves from participation in discussion and recommendations on the matter.

*Review:* The Committee will review its performance annually and should include identification of opportunities for improvement and identify additional training and education that may be of assistance to Directors. The Chair will co-ordinate the review and table it at the Board.



## **CEHL FINANCE AND RISK COMMITTEE CHARTER**

### **ATTACHMENT A**

#### ***Guidance areas for the Committee's oversight & review***

##### **Finance**

1. Contribute to and review CEHL's Finance Strategy.
2. Review and monitor CEHL's financial performance, including borrowings and loan covenants, and report on such matters as may be required.
3. Make recommendations to the Board with respect to borrowings, investments and budgets.
4. Review all significant changes to accounting policies.
5. Receive the final draft of CEHL's annual financial statements for review and make recommendations to the Board on their acceptability.

##### **Audit**

1. Make recommendations to the Board in respect to the appointment and remuneration of Auditors.
2. Manage the relationship with the external auditors on behalf of the Board.
3. Provide oversight and guidance to Management in the completion of the annual audit.
4. Develop and oversee an annual Internal Audit Plan to assess risk and management controls across specific business or risk areas as the Committee sees fit.

##### **Insurance**

1. Review the adequacy of insurance cover.
2. Appoint insurance brokers and/or insurers.

##### **Board**

1. Provide high-level advice and guidance to the Board on CEHL's operating environment.
2. Make recommendations to the Board on risk appetite, risk tolerance and emerging risks.

3. Encourage the professional development of Directors around finance and risk matters to support them in discharging their governance responsibilities.
4. Make recommendations to the Board in respect to the financial component of CEHL's Delegated and Reserved Powers Policy.

### **Risk**

1. Monitor and review CEHL's risk policies.
2. Review the utility, effectiveness and efficiency of CEHL's risk management in the context of CEHL's size, scale, complexity and scope of operations.
3. Review CEHL's risk appetite and risk tolerance as determined by the Board on a holistic enterprise-wide basis and with respect to relevant categories of operational risk.
4. Review management's implementation of CEHL's risk treatment and mitigation activities and assess compliance and effectiveness.
5. Review the categorisation and reporting of risk to ensure critical factors are identified and effectively reported to the Board.
6. Consider concentrations of risk and the interrelationship of key risks to provide advice and guidance to the Board on an enterprise-wide level.
7. Access and/or commission and review reports from management, auditors, company lawyers, regulators and consultants.
8. Consider how risks may be / have been / should be transferred and review insurance and other risk transfer arrangements accordingly.
9. Oversight of the risks related to specific projects, property developments and initiatives, with a focus on those that may have a material impact.
10. Review CEHL's risk register on a regular basis, with the updated critical and severe risks to be formally acknowledged annually and approved by the Board.
11. Oversight of compliance with legislative requirements via a regular compliance report.

### **Legal Compliance**

1. Oversight of CEHL's legal responsibilities and obligations.
2. Oversight of CEHL's adherence to taxation laws, ongoing Public Benevolent Institution and Charitable status.