



Audit, Finance and Risk Committee

Terms of Reference

1. Scope

- 1.1 The Audit, Finance and Risk Committee (the **Committee**) is a committee of the Council of Geelong Grammar School (the **School**) pursuant to Article 8.5 of the School's Constitution.
- 1.2 These Terms of Reference govern the meetings and proceedings of the Committee. These Terms of Reference should be read in conjunction with the School's Constitution and School Council Charter. To the extent that these Terms of Reference do not expressly provide, the provisions of the School Constitution and School Council Charter will apply to the Committee. Nothing in this Terms of Reference limits any powers or responsibilities of the School Council.

2. Purpose

- 2.1 The purpose of the Committee is to:
 - 2.1.1 assist the School Council in its oversight of the integrity of the School's finance reporting, including supporting the School Council in meeting its responsibilities regarding financial statements and the financial reporting systems and internal controls;
 - 2.1.2 monitor, on behalf of the School Council, the effectiveness and objectivity of auditors;
 - 2.1.3 provide input to the School Council in its assessment of risk and determination of risk appetite as part of the overall setting of strategy for the School; and
 - 2.1.4 assist the School Council in its oversight of the School's Risk Management Framework, monitoring its effectiveness through functional implementation and its performance to protect against and mitigate risks at the School.

3. Authority

- 3.1 The Committee is a Committee of the School Council from which it derives its authority, to which it regularly reports and to which it is accountable for its performance.
- 3.2 The Committee has delegated authority from the School Council in respect of the functions and powers set out in these Terms of Reference.
- 3.3 The Committee has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from the Principal, members of the Executive or School Employees.

4. Chairperson

- 4.1 The Committee Chair is a School Council Director appointed by the Committee and ratified by the School Council.
- 4.2 In the absence of the Committee Chair or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting.
- 4.3 The Committee Chair has a casting vote.

5. Membership

- 5.1 The Committee will comprise of at least 3 with a maximum of 7 members, and one of which shall have recent and relevant audit and financial experience.
- 5.2 Members of the Committee shall be appointed by the Committee on the recommendation of the Chair of the School Council;
- 5.3 Members can be co-opted onto the Committee (as determined by the Committee Chair) as the need arises to help fulfil the duties and obligations of the Committee.
- 5.4 Co-opted member appointments shall be made by the School Council on the recommendation of the Committee Chair.
- 5.5 School Council members shall comprise a majority of the Committee at all times.
- 5.6 Members may be removed from the Committee at any time by the School Council.

6. Duration of appointments

- 6.1 Unless otherwise determined by the School Council, the duration of appointments of members of the Committee and of co-opted members shall be for a period of up to three (3) years which may be extended by the School Council for additional periods of three (3) years.

7. Secretary

- 7.1 The School Company Secretary or their nominee shall act as Secretary to the Committee and attend all meetings.



7.2 The Secretary shall record the proceedings and decisions of the Committee meetings and the Minutes shall be circulated to all members and attendees, as appropriate, taking into account any conflicts of interest that may exist.

8. Frequency of Meetings

8.1 The Committee shall meet at least four times a year and otherwise as required.

8.2 Meetings of the Committee may be called by the Committee Chair at any time to consider any matters falling within these Terms of Reference.

9. Quorum

9.1 Any three (3) members of the Committee may form a quorum, provided at least two School Council members are in attendance.

9.2 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

9.3 In the event of difficulty in forming a quorum, School Council members who are not members of the Committee may be co-opted as members for individual meetings to form a quorum, provided at least two School Council Directors are in attendance.

9.4 A duly convened meeting of the Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee.

10. Attendees

10.1 Only the members of the Committee and Directors of the School Council have the right to attend Committee meetings.

10.2 The following will be expected to attend Committee meetings on a regular basis:

10.2.1 Director of Finance and Operations;

10.2.2 Director of Corporate Services;

10.2.3 The Company Secretary;

10.2.4 When invited, the Risk Manager; and

10.2.5 When invited, the external audit representative; and

10.2.6 Board Observer.

10.3 Any School Employee may attend at the invitation of the Committee Chair and they may collectively or individually be requested to withdraw from meetings of the Committee if required to do so by the Committee Chair.

10.4 The Committee will meet with the auditor at least once a year without management present.

11. Resolutions

11.1 The Committee shall reach decisions by a simple majority of those voting on the issue in question. If the numbers of votes for and against a certain proposal are equal, the Committee Chair shall have a casting vote.

11.2 Any resolution evidenced in writing or by electronic or voice recognition means, by such member or members of the Committee as would have been necessary to pass such resolution had all members of the Committee been present at a meeting to consider such resolution, shall be valid and effective as if it had been passed at a meeting of the Committee duly convened and held, provided that notice and details of the proposed resolution have been given in advance to each member of the Committee.

12. Confidentiality

12.1 Unless otherwise required by law or the Constitution, the members of the Committee are required to keep Committee discussions, papers and deliberations confidential.

13. Responsibilities

Financial Reporting

13.1 The Committee shall monitor the integrity of the financial statements of the School, including its annual report relating to its financial performance, and review and report to the School Council on significant financial reporting issues and judgements which those statements contain having regard to matters communicated to it by the auditor. In particular, the Committee shall review and challenge where necessary:

13.1.1 the application of significant accounting policies and any changes to them;

13.1.2 the methods used to account for significant or unusual transactions where different approaches are possible;

13.1.3 whether the School has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements; and



13.1.4 all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management.

Audit

13.2 The Committee is responsible for:

- 13.2.1 considering the appointment, re-appointment or removal of the auditor and to oversee the selection process for a new auditor where required;
- 13.2.2 annually challenging and assessing the performance, independence and objectivity of the external auditor, discussing issues they raise in the audit and monitoring the effectiveness of the audit process and reviewing their quality control procedures and steps taken to respond to regulatory, professional and other changes;
- 13.2.3 approving the terms of engagement in respect of the statutory audit;
- 13.2.4 approving the nature and scope of the audit with the auditor before the audit commences and reviewing the findings of the audit, as well as management's response on completion;
- 13.2.5 reviewing management representation letters in relation to financial reporting requested by the auditor prior to signature by the members of the Executive;
- 13.2.6 resolving disagreements between management and the auditor regarding financial reporting; and
- 13.2.7 meeting regularly with the auditor (including at least once a year without management being present), to discuss the auditor's remit and any issues arising from the audit.

Internal Control and Risk Management

13.3 The Committee is responsible for:

- 13.3.1 reviewing the School's Risk Register;
- 13.3.2 the robustness of the School's risk management policies and processes and their fitness for purpose when tested against the School's Risk Register and risk appetite;
- 13.3.3 receiving regular assurance reports from the Executive covering child safety, risk management, regulatory compliance and other ad hoc reports covering such other matters relating to risk management and internal control as the School Council may request from time to time;
- 13.3.4 the timeliness of and reports on, the effectiveness of corrective action taken.
- 13.3.5 undertaking deep-dive reviews into significant risks at the request of the School Council or where, in the Committee's view, further scrutiny is required;
- 13.3.6 considering the major findings of any relevant internal investigations into control weaknesses, fraud or misconduct and the Executive's response (in the absence of the Executive where necessary); and
- 13.3.7 providing input and recommendations to the School Council on the School's strategy for risk, including appropriate mitigations and risk appetite.

14. Reporting

- 14.1 Minutes of each Committee meeting will be disclosed at the next meeting of the School Council.
- 14.2 Periodically the Committee Chair shall report to the School Council on matters within its duties and responsibilities.
- 14.3 The Committee shall work and liaise as necessary with other Committees of the School Council.
- 14.4 The Committee shall, via the Secretary to the Committee, make available to new members of the Committee a suitable induction process and, for existing members, ongoing training as discussed and agreed by the Committee.
- 14.5 The Committee shall conduct an annual self-assessment of its activities under these Terms of Reference and report any conclusions and recommendations to the School Council and, as part of this assessment, shall consider whether or not it receives adequate and appropriate support in fulfilment of its role and whether or not its annual plan of work is manageable.
- 14.6 The Committee shall in its decision making, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its decisions (liaising where relevant with other Committees).
- 14.7 The Committee shall have access to sufficient resources in order to carry out its duties and have the power to engage independent counsel and other professional advisers and to invite them to attend meetings.

15. Review

- 15.1 The Committee shall annually review its Terms of Reference and may recommend to the School Council any amendments to its Terms of Reference.



16. Review and Circulation

Responsible Department	<input type="checkbox"/> Academic <input checked="" type="checkbox"/> Corporate Services and Risk <input type="checkbox"/> Finance and Operations <input type="checkbox"/> Head of Campus <input type="checkbox"/> Human Resources <input type="checkbox"/> Medical <input type="checkbox"/> Vice Principal (Culture and Community)
Version	1
Approved by	<input checked="" type="checkbox"/> School Council Committee <input type="checkbox"/> Principal <input type="checkbox"/> Director of Corporate Services
Effective Date	4 August 2020
Review Date	4 August 2021
Location	<input checked="" type="checkbox"/> School wide <input type="checkbox"/> Bostock <input type="checkbox"/> Corio <input type="checkbox"/> Timbertop <input type="checkbox"/> Toorak
Audience	<input checked="" type="checkbox"/> School Community <input type="checkbox"/> Students <input type="checkbox"/> Parents <input type="checkbox"/> School Employees
Publication	<input type="checkbox"/> Portal >Staff Resources <input type="checkbox"/> Portal >My Diary <input type="checkbox"/> Portal >My School <input type="checkbox"/> Portal >My Child <input checked="" type="checkbox"/> School Website