

# Committee Terms of Reference



<b>Type:</b>	Board Committee
<b>Title:</b>	Audit and Risk Committee Terms of Reference
<b>Objective:</b>	To assist the Board in discharging its responsibilities with respect to overseeing all aspects of financial reporting, control, audit and organisational risk functions
<b>Responsible to:</b>	Chair of the Board
<b>Last Reviewed:</b>	February 2016

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## Structure:

1. The members of this committee shall be appointed by the Board from among its members and shall consist of up to three members, including a chairman (who cannot be the SNZ Chairman).
2. The CEO and any other professional staff shall not be eligible to be a member.
3. A quorum shall be two members.

## Term:

4. Committee members (once appointed by the Board) may be changed at the Board's discretion. All changes to committee members must be recorded in the Board minutes.

## Profile:

5. The majority of committee members shall have strong financial skills including the ability to read and analyse financial statements as well as a good understanding of business and financial risks and related controls and control processes and sound knowledge of the business/area in which the organisation operates.

## Operating Procedures:

6. The committee chairman shall call a meeting of the committee if so requested by any committee member, the Board, or the external auditors.
7. The committee may have in attendance such members of management and such other persons as it deems necessary to provide appropriate information and explanations.
8. The committee may obtain external resources as required to assist with its work, subject to prior Board approval.
9. The committee will give notice to management of its programme and requirements for access to key financial personnel and all financial records.
10. The committee shall report to the Board at least annually or as specified or requested by the Board and specifically cover (but not be limited to) the annual audit and review of the Risk Action Plan.
11. The committee meetings shall be minuted and presented to the Board at its next meeting

## Duties and Responsibilities: (These activities would be organised as items to be covered in Audit and Risk Action Plan)

Those that relate to the Audit:

12. Review of internal financial systems and accountabilities.
13. The committee will develop in consultation with the auditor an annual audit plan that shall be reviewed and authorised by the Board.

14. Review of the annual audit plan with the external auditors.
15. An attestation from CEO and management by way of a Management Representation Letter to the accuracy of the CEO's financial reporting to the Board.
16. Review of the audit findings and the annual financial statements.
17. Recommend to the Board the acceptance of the management representation letter and Audit Report
18. Ensuring that recommendations highlighted in the external audit are actioned by management.

Those that relate to other activities:

19. Assess the scope and effectiveness of the systems established by management to identify, assess, manage and monitor financial and non-financial risks to review annually the process for monitoring the organisations compliance with sector obligations and organisational policies
20. Oversight of the compliance with statutory responsibilities relating to financial and other disclosure.
21. Supervision of special investigations when requested by the Board.
22. Review the terms of reference for this committee and provide any recommendations back to the Board.

**Authority:**

23. This committee is authorised by the Board to investigate any activity covered by its duties and responsibilities.
24. This committee is authorised to seek any information (through the committee chair) it requires from the CEO.
25. This committee shall have no executive powers with regard to its findings and recommendations but will provide recommendations to the Board for approval.
26. This Committee, with the authority of the Board, can obtain legal or independent professional advice in the satisfaction of its duties, at the organisation's expense.