

Finance Risk and Audit Committee Charter

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The Finance Risk and Audit Committee (FRAC), provides independent assurance and assistance to the Board in the areas of financial management, statutory reporting, internal control systems, risk management systems, insurance and legal proceedings.

The Board of Directors of the NTMEC has established the FRAC (the Committee) to assist it to fulfil its responsibilities in these areas. This Charter sets out the role and responsibilities of the Committee.

Role

The primary role of the Committee is to provide independent assurance and assistance to the Board in the areas of financial management, statutory reporting, internal control systems, risk management systems, insurance and legal proceedings.

Authority and Legislative Framework

The Board has authorised the Committee, within the scope of its roles and responsibilities, to:

- Obtain any information it requires from any employee and external party (subject to their legal obligation to disclose information)
- Discuss any matters with the external auditor, or other external parties conducting relevant audits of or are giving professional advice to NTMEC (subject to confidentiality considerations)
- Request the attendance of any employee through the chair, including Directors, at Committee meetings where appropriate
- Obtain external legal or other professional advice, as considered necessary, subject to appropriate delegations.

In addition to the responsibilities under the *Audit Act*, the Board must ensure compliance with obligations placed upon it by other legislation including, but not limited to legislative references included in the BOARD-001 Board of Directors Guidelines.

In carrying out its responsibilities, the Committee must recognise that primary responsibility for the management of NTMEC rests with the CEO.

Responsibilities

General

Specific responsibilities of the Committee include:

- Providing advice to the Board on the preparation and review of the financial statements
- Reviewing other public accountability documents, such as the annual report, prior to publication
- Considering NTMEC’s risk management framework and associated procedures for the effective identification and management of the financial, business, project, legal and compliance risks
- Ensuring management is maintaining an effective internal control framework, including over external parties such as contractors and advisors
- Ensuring management has in place relevant policies and procedures, including for the management and exercise of delegations, and that these are periodically reviewed and updated
- Reviewing business continuity planning arrangements

- Ensuring a fraud control plan is in place and appropriate processes or systems operate to capture fraud related information
- Considering whether management is embedding a culture that is conducive to ethical and lawful behaviour
- Overseeing audit programs, including communication with internal and external auditors including the Auditor-General, development of plans, monitoring outcomes and the implementation of recommendations
- Advising the Board on action to be taken on matters arising from external audit reports, including the dissemination of good practice.

Responsibility for determining internal budget allocations and performance monitoring of NTMEC remains vested in the Board of Directors.

Chairperson of the Committee

In addition to the above, the Chairperson is responsible for:

- Leading and directing the activities of the Committee
- Setting the Committee agenda
- Conducting Committee meetings and other business
- Ensuring the efficient and effective operation of the Committee
- Liaising with and reporting to the Chairperson of the Board
- Inducting and supporting Committee members
- Working with the CFO to oversee the financial performance of the organisation.

Chief Financial Officer

The Chief Financial Officer (CFO) is the primary link between the Committee and the organisation and responsible for:

- Managing the day-to-day financial and budget operations of NTMEC
- Keeping abreast of, and informing Committee members, of any changes to legislative requirements or governance expectations Implementing the financial, performance, risk management and compliance initiatives set by the Committee and other Committee decisions
- Presenting financial and budget information to the Committee.

Committee Secretary

The Committee Secretary provides administrative support to the Committee.. The Committee Secretary will be responsible for:

- Preparing the agenda in consultation with the Chairperson
- Compiling supporting documentation and distributing meeting papers to Committee members at least five days prior to each meeting
- Recording minutes of meetings of the Committee and retaining appropriate records of the Committee's activities
- Arranging for staff members of NTMEC, advisors or observers to attend a meeting of the Committee
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Appointment of Committee Members

The Committee will be comprised of at least two and not more than five members drawn from the Board. The Chairperson of the Board should not be a member of the Committee. The CEO should not be a member of the Committee and at least one member of the Committee should have substantial financial experience. The Board Chairperson will elect a Chairperson.

In addition to members drawn from the Board, the Committee may co-opt other non-Director members to provide specific skill or expertise as required. The number of co-opted members must not exceed two at any

one time. Co-opted members are expected to have substantial experience in finance, risk management or audit roles, preferably within the NT Government context, in addition to qualifications within the accounting or audit profession.

Appointment will be for an initial period not exceeding two years, after which members will be eligible for extension or re-appointment after a board majority decision vote is undertaken.

The CFO, an internal audit representative and an external audit representative shall not be members of the Committee but may attend meetings as observers.

Reporting

The Committee shall regularly, but at least annually, report to the Board on its operation and activities during the year, including:

- A summary of the work performed by the Committee to fully discharge its responsibilities during the year
- A summary of progress in addressing the findings and recommendations made in internal and external audit reports
- An overall assessment of NTMEC's risk, control and compliance framework, including details of any significant emerging risks or legislative changes impacting NTMEC
- Details of meetings, including the number of meetings held during the relevant period, and the number of meetings attended by each member
- Other matters deemed of sufficient importance.

A copy of the approved minutes for each Committee meeting is to be made available to all Directors. A copy of the papers is to be made available to Directors.

Meetings

The Committee will meet at least two times per year. An additional meeting may be held to review NTMEC's financial statements. The Chairperson is required to call a meeting if requested to do so by the Board or another Committee member.

A forward meeting plan, including meeting dates and agenda items will be agreed by the Committee each year.

Attendance at Meetings and Quorums

A quorum shall consist of a majority (i.e. more than half) of Committee members or a minimum of two.

The internal and external auditors may be invited as observers to attend meetings as requested by the Chairperson of the Committee. Other people may be invited to attend FRAC meetings, including:

- A representative from the Office of the Northern Territory Auditor-General
- Auditors, both internal and external, to advise on specific audit matters and this may include attending an "in camera session" with the Committee
- Employees to address the FRAC on review, internal and external audit findings.

The Committee may request the CFO - Department Industry, Tourism and Trade or NTMEC employees to attend Committee meetings to participate in specific discussions or provide strategic briefings.

Minutes will be prepared by the Committee Secretary and must be approved by the Chairperson before being circulated promptly to each member, and to Committee observers where appropriate.

Conflicts of Interest

On an annual basis, Committee members will provide to the Board written declarations that they do not have any conflicts of interest which would preclude them from being members of the Committee.

If a Committee member has a personal interest in a matter being considered by the FRAC, they must disclose it. Disclosure of personal interests must be recorded in the minutes of the meeting.

At each meeting the chairperson will request a declaration of conflicts of interest from all members and observers present. Where observers at Committee meetings are deemed to have a real or perceived conflict of interest, they will be asked by the Chairperson to leave the meeting.

Induction

New Committee members will receive relevant information and briefings on their appointment to assist them in meeting their responsibilities.

Evaluating Committee Performance

A biennial review of the Committee's performance will be assessed as part of NTMECs overall board evaluation. The review will be conducted on a self-assessment basis, unless otherwise determined by the Board. As determined by the Board, input may be sought from the Board, the CEO, the internal and external auditors, management and any other relevant stakeholders.

Publication and Review of Charter

The FRAC Charter is available on NTMEC's website at <https://www.ntmajorevents.com.au>

The Committee will review this Charter annually to ensure it remains consistent with its objectives and responsibilities. Any substantive changes to this Charter will be put to the Board for approval.