

AFTRS

Australian Film Television
and Radio School

AUSTRALIAN FILM, TELEVISION AND RADIO SCHOOL

FINANCE, AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER

Introduction

The Council of the Australian Film, Television and Radio School (**AFTRS**) has established the Finance, Audit and Risk Management (**FARM**) Committee in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

Functions

AFTRS' Council has determined that the FARM Committee will perform the following functions for AFTRS:

- review the appropriateness of Council's:
 - financial reporting;
 - performance reporting;
 - system of risk oversight; and
 - system of internal control;
- provide a forum for communication between the Council, senior management and both the internal and external auditors; and
- consider other matters, as referred to the FARM Committee by Council.

Duties and Responsibilities

In carrying out its functions, the FARM Committee may consider any matters relating to the financial affairs and risk management issues of AFTRS that the FARM Committee determines to be desirable.

The duties of the FARM Committee are:

Financial reporting

- (a) to examine the annual report before submission to Council, focusing particularly on:
- any changes in accounting policies and practices;
 - areas where significant judgment is required, such as provisions or contingent liabilities;
 - significant adjustments resulting from the audit;
 - compliance with accounting standards;
 - compliance with Government and legal requirements; and
 - reports prepared by management for release to the stakeholders;
- (b) to provide any other advice to the accountable authority about the accountable authority's obligations under the PGPA Act and other relevant legislation.

Performance reporting

- (c) to satisfy itself that AFTRS has an appropriate performance reporting framework that is linked to AFTRS' objectives and outcomes;

System of risk oversight

- (d) to review the process established for identifying major risks to which the AFTRS is exposed;
- (e) to review all significant transactions that do not form part of AFTRS' normal business;
- (f) to review any current and pending litigation which has significant financial risk exposure for AFTRS;
- (g) to consider significant cases of employees and student conflict of interest, misconduct or fraud;
- (h) to evaluate AFTRS' exposure to fraud;
- (i) to approve the internal audit program and ensure that the internal audit function is adequately resourced

- and has appropriate standing within the AFTRS;
- (j) to promote co-ordination between management and internal and external auditors;
 - (k) to review any significant matters reported by the internal auditors and ascertain whether management's response is adequate;
 - (l) to ensure that the internal auditors are independent of the activities that they audit;
 - (m) to discuss with the external auditor before the audit commences the nature and scope of the audit;
 - (n) to discuss issues and/or reservations arising from the interim and final audits, and any matters the auditor may wish to discuss;
 - (o) to consider the external auditor's management letter and management's response;
 - (p) to request and review special audits or investigations as may be necessary;
 - (q) to be consulted on the engagement or termination of the internal auditors.

System of internal control

- (r) to verify that the internal control systems are adequate and functioning effectively;
- (s) to discuss and review with management, its philosophy with respect to business ethics corporate conduct, the AFTRS Code of Conduct and values;
- (t) to review with management or the internal auditors or both the philosophy with respect to controlling the AFTRS' assets and information systems, the staffing of the key functions and the plans for enhancement of operations;
- (u) to consider compliance with any regulatory or statutory requirements; and
- (v) to meet annually with the internal and external auditors without AFTRS management or staff present.

Membership

The FARM Committee consists of up to five members, but no less than three members, who have appropriate qualifications, knowledge, skills or experience to assist the FARM Committee to perform its functions.

The FARM Committee may include Council members (excluding the Chair of Council and the Chief Executive Officer as the ex-officio Council member), and Independent Members as may be determined by Council from time to time.

The FARM Committee may not include AFTRS' employees.

Invitees

- Chief Executive Officer
- Director of Finance and Technology
- Head of Finance
- Director of School Resources
- Head of Strategy and Governance

In Attendance

- Internal auditor
- External auditor

Chair

Council appoints the Chair of the FARM Committee, who must be either an Independent Member or a Council member.

Alternate Chair

In the absence of the Chair, the FARM Committee is authorised to appoint another member of the FARM Committee to act as Chair.

Term

Council will appoint members for an initial period of three years. Members may be reappointed for further periods of three years, or a lesser period, as determined by Council following Council's assessment of the member's performance as a FARM Committee member.

Sub-committees

The FARM Committee may establish one or more sub-committees to assist the full Committee in meeting its responsibilities. The responsibilities, membership and reporting arrangements for each sub-committee must be documented and approved by the full Committee.

Meetings

The FARM Committee must hold at least 4 meetings each year as required by Council. A quorum consists of three members.

Minutes

One of AFTRS' officers or employees will be appointed to prepare and keep minutes of meetings. The minutes, or relevant extracts from them, will be provided to the internal auditors and external auditors.

Conflict of interest

Once each year, members of the FARM Committee will provide written declarations to the Chair for provision to Council declaring any potential or actual conflicts of interest they may have in relation to their responsibilities. External members must consider past employment, consultancy arrangements and related party issues in making these declarations, and the Chair must be satisfied that there are sufficient processes in place to manage any real or perceived conflict.

At the beginning of each FARM Committee meeting, members are required to declare any potential or actual conflicts of interest that may apply to specific matters on the meeting agenda. Where required by the Chair, the member will be excused from the meeting or from the FARM Committee's consideration of the relevant agenda items. Details of potential or actual conflicts of interest declared by members and action taken will be appropriately minuted.

Reporting

The Committee must:

- record proceedings of each meeting and circulate them to Council as soon as practicable; and
- prepare reports to Council, as required by Council.

Changes to the Charter

Any substantive changes to the functions of the FARM Committee set out in this Charter will be recommended by the FARM Committee and must be formally approved by Council.

Authorisation and Distribution

Authorisation Date	AFTRS Council 9 December 2016
Responsible Officer	Director, Finance and Technology
Minor Amendment Authorisation date	22 May 2019 <i>(approved by Head, Finance acting in D,F&T role while on leave)</i>
Contact Officer	Policy & Governance Officer
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