

## Finance, Audit and Risk Management (FARM) Committee Charter

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### 1. Purpose

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- 1.1. 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)*.
- 1.2. The Finance Audit and Risk Management (FARM) Charter describes the functions of the FARM Committee.

## Functions

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- 1.3. The AFTRS Council has determined that the FARM Committee will perform the following functions for AFTRS:
- review the appropriateness of the 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

- 1.4. to examine the annual financial report before submission to the 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;
- 1.5. to provide a statement to the Council:
- whether in the committee's view the annual financial statements, comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance; and
  - in respect of the appropriateness of AFTRS' financial reporting as a whole, referencing, if required, any specific areas of concern or suggestions for improvement.
- 1.6. 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

- 1.7. to satisfy itself that AFTRS has an appropriate performance reporting framework that is linked to AFTRS' objectives and outcomes;
- 1.8. to provide a statement to the Council in respect to the appropriateness of the Annual Performance Statements.

### System of risk oversight

- 1.9. to review the process established for identifying major risks to which AFTRS is exposed;
- 1.10. to provide a statement to the Council: whether in the committee's view AFTRS' system of risk oversight and management as a whole is appropriate and any specific areas of concern or suggestions for improvement;
- 1.11. to review all significant transactions that do not form part of AFTRS' normal business;
- 1.12. to review any current and pending litigation which has significant financial risk exposure for AFTRS;

- 1.13. to consider significant cases of employees and student conflict of interest, misconduct or fraud;
- 1.14. to evaluate AFTRS' exposure to fraud;
- 1.15. to approve the internal audit program and ensure that the internal audit function is adequately resourced and has appropriate standing within the AFTRS;
- 1.16. to promote co-ordination between management and internal and external auditors;
- 1.17. to review any significant matters reported by the internal auditors and ascertain whether management's response is adequate;
- 1.18. to ensure that the internal auditors are independent of the activities that they audit;
- 1.19. to discuss with the external auditor before the audit commences the nature and scope of the audit;
- 1.20. to discuss issues and/or reservations arising from the interim and final audits, and any matters the auditor may wish to discuss;
- 1.21. to consider the external auditor's management letter and management's response;
- 1.22. to request and review special audits or investigations as may be necessary;
- 1.23. to be consulted on the engagement or termination of the internal auditors.

### **System of internal control**

- 1.24. to verify that the internal control systems are adequate and functioning effectively;
- 1.25. to discuss and review with management, its philosophy with respect to business ethics corporate conduct, the AFTRS Code of Conduct and values;
- 1.26. 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;
- 1.27. to consider compliance with any regulatory or statutory requirements; and
- 1.28. to meet annually with the internal and external auditors without AFTRS management or staff present.

## **2. Membership**

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### **Composition**

- 2.1. The FARM Committee consists of up to five (5) independent members but no less than three (3) members.
- 2.2. The FARM Committee may include Council members (excluding the Chair of Council and the Chief Executive Officer as an ex-officio member of the Council).
- 2.3. The FARM Committee may not include AFTRS' employees.

### **Length of service/term**

- 2.4. Council will appoint members for an initial period of three (3) years.
- 2.5. Members may be reappointed for further periods of three (3) years, or a lesser period, as determined by the Council, following the Council's assessment of the member's performance as a FARM Committee member.

## Chair

### Appointment

- 2.6. The Council appoints the Chair of the FARM Committee, who must be either an external member or a member of the Council, (other than the Chair of the Council or the Chief Executive Officer as an ex-officio Council member).

### Alternate Chair

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

## Invitation and appointment of members (other than the Chair)

- 2.8. The individuals sourced as members of the FARM Committee will have the appropriate qualifications, knowledge, skills, or experience to assist the FARM Committee to perform its functions.
- 2.9. Independent members will be sought from professional recommendations or through professional peak bodies.
- 2.10. The Council may from time to time invite and resolve for a Council member to become a member of the FARM Committee.

## 3. Administrative Arrangements

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### Sub-committees

- 3.1. 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

- 3.2. The FARM Committee must hold at least 4 meetings each year as required by the Council.

### Quorum

- 3.3. A quorum of the Committee is a majority of the current members.

### Minutes

- 3.4. One of AFTRS' officers will be appointed to prepare and keep minutes of meetings.
- 3.5. The draft minutes of the last FARM Committee meeting, approved by the FARM Committee Chair will be provided for inclusion in papers of the next meeting of the AFTRS Council.
- 3.6. The minutes, or relevant extracts, will be provided to the internal auditors and external auditors. This may occur through access to the draft minutes for approval in the FARM Committee papers.

### Conflict of interest

- 3.7. All FARM members have a duty to disclose material personal interest that relates to the affairs of AFTRS.
- 3.8. The disclosure of interest/s, or a change in a previously disclosed interest, must be provided to the FARM Committee at the next Committee meeting after the member becomes aware of the interest.
- 3.9. At the beginning of each FARM Committee meeting, members are provided an opportunity to disclose interests, and declare any potential or actual conflicts of interest that may apply to specific matters on the meeting agenda.

- 3.10. Where required by the Chair, the member will be excused from the meeting or from the FARM Committee's deliberation of the relevant agenda item/s.
- 3.11. Details of disclosures and the action taken will be appropriately minuted.
- 3.12. A register of disclosures and mitigations will be maintained by the FARM Secretariat and available to FARM members on the secure board papers platform.

### **Matters for decision or discussion outside scheduled meetings**

- 3.13. Out-of-session discussion and decisions by the FARM Committee may be required for matters outside of regular meetings. In such circumstances, the Secretariat or delegate may request members to vote on matters via circular resolution.

### **Standing Attendees and By Invitation**

- 3.14. The following members of AFTRS Staff are standing attendees at each FARM Committee meeting, contributing to or observers of regular items on the agenda:
  - Chief Executive Officer (Director of AFTRS)
  - Chief Financial Officer
  - Head of Finance
  - Head of Governance
- 3.15. The following external parties are standing attendees at each FARM Committee meeting, contributing as advisors and/or observers:
  - Representative/s of internal audit provider
  - Representative/s of the Australian National Audit Office (ANAO)
- 3.16. The FARM Committee may extend an invitation to a Committee meeting to various AFTRS Staff or external individuals to provide information on any matter being examined by the Committee.

### **Secretariat**

- 3.17. The Head of Governance will provide secretariat services to the FARM Committee supported by various AFTRS officers, coordinating agenda preparation, and ensuring the distribution of the Committee papers and preparation of meeting minutes.

## **4. Responsibilities**

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### **Compliance, monitoring and review**

- 4.1. The Charter will be scheduled for review every three years. This may occur earlier dependent on external factors such as legislative reform.
- 4.2. 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 the Council.
- 4.3. Biennially, the FARM Committee will conduct a self-assessment of performance, assessing its conduct and deliverables against the Charter.

### **Reporting**

- 4.4. The FARM Committee must:
  - record the proceedings of each meeting and circulate them to the AFTRS Council as soon as practicable, this may be through the inclusion of draft minutes in Council papers; and
  - prepare reports to the Council, as required by the Council.

## Records Management

- 4.5. The FARM Charter as a corporate document will be registered in the AFTRS Policy Register.
- 4.6. All records relevant to administering the Charter will be maintained by the Policy and Governance Officer.

## 5. Definitions

- AFTRS employees:** Non-executive board members (i.e., members of the AFTRS Council) or persons engaged primarily to be audit committee members are not considered employees of the School<sup>1</sup>.
- Appropriateness:** For the purposes of the PGPA Act, PGPA Rule and the FARM Committee Charter, 'appropriateness' has its ordinary meaning of 'suitable or fitting for a particular purpose'.
- Independent:** For the purposes of the PGPA Rule and the FARM Committee Charter, 'Independent' means not employees of AFTRS. AFTRS Council members and external members of the FARM Committee are regarded as independent of the School.
- External:** Means a person who is not a member of the Council, sourced for their expertise from outside of AFTRS to be an independent member of the Committee.

## 6. Related Legislation and Documents

- *Australian Film, Television and Radio School Act 1973*
- *Public Governance, Performance and Accountability Act 2013*
- *Public Governance, Performance and Accountability Rule 2014*
- Department of Finance, Department of Finance, Guide for corporate Commonwealth entities on the role of audit committees.

## Approval and Review Details

Approval and Review	Details
Approval Authority	AFTRS Council
Responsible Officer	Chief Financial Officer
Contact Officer	Policy and Governance Officer
Distribution	AFTRS website and BoardEffect (secure board papers platform)
Next Review Date	01 December 2025

<sup>1</sup> Department of Finance, Guide for corporate Commonwealth entities on the role of audit committees, p. 22.; PGPA Rule 2014 sub-s (4AA).

Approval and Amendment History	Details
<b>Original Approval Authority and Date</b>	<b>8/09/2023 Council</b> (30/08/2023 FARM Committee endorsement)
<b>Amendment History and Date</b>	<b>v2.2_8 September 2023</b> — Amendment includes change to quorum to consist of the majority of current FARM Committee members; v2.1, 14/02/2022 Date of Council approval (O-O-S) and 04/02/2022 Date of FARM Committee endorsement —This review includes further content clarifying the terms independent and external for the purposes of FARM Committee membership; v2.0_03 December 2021 —This review included the adoption of AFTRS ToR/Charter template, updated role titles and attendee details, and inclusion of requirements/recommendations based on the updated ‘Resource Management Guide 202’, and ‘Guide for corporate Commonwealth entities on the role of audit committees’; (following versions prior to format change) v1.6_22/05/2019; v1.5_01/02/2019; v1.4_13/04/2018; v1.3_09/12/2016R; v1.0_25/02/2016; 23/10/2015; 01/07/2014.
<b>Notes</b>	Although an amended FARM Charter was approved by Council in Feb 2022 and further amendment in Sep 2023, the Charter’s comprehensive review schedule has not been altered.
<b>Minor Amendment Approval and History</b>	N/A