



ANZCVS Council Finance & Risk Committee Charter

The Finance and Risk Committee (FRC) has been chartered to safeguard high standards of corporate governance and management in the conduct of the financial business of the College. Council's fiduciary role is to approve the business plan and budget, monitor organisational and financial performance, ensure sound financial management practices are in place, monitor risks and protect the College's assets. The FRC assists Council in discharging its responsibilities with respect to overseeing all aspects of financial management and reporting, control and audit functions and monitoring and reporting on risks.

Role and responsibilities of the FRC

The FRC is not a policy-making body nor does it have substantive executive function. It assists Council in developing Council policy and monitoring organisation activity within the scope of its remit, and making recommendations to Council for resolution.

The role of the committee includes assisting Council's governance and exercising of due care, diligence and skill in relation to financial:

- Reporting
- Compliance
- Performance
- Internal control including accounting policies & audit
- Risk
- Assets (including those of Chapters)
- Policies

Functions of the FRC

1. Financial Management:

Provide a report of financial management & position quarterly.
Identify financial issues and recommend policies.
Advise Council on any exceptional issues & the financial position of the College as they arise.
Monitor investments.
Monitor College Financial Policies.
Review & report on the draft annual budget.
Review Management financial processes for compliance with laws & regulations.
Review Management financial estimates & judgements.
Review the annual financial report.
Consider accounting policies & recommend any adjustments.
Assess Management explanations for unusual transactions or variances from budget.
Assess non-financial information for consistency with financial statements.
Recommend whether Council should sign financial statements.

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Amended July 2019

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Assist Management in the oversight of the compliance & performance of Chapter finances.

2. Internal control & risk management

To monitor and report to Council on corporate risks.

- Assess the internal processes for determining and managing key risk areas, particularly:
 - Legal - compliance with laws, regulations, standards and best practice guidelines
 - Financial management
 - Reputation – including litigation and claims
 - Operational – including human resource management, fraud and crisis management
 - Relevant business risks other than those dealt with by other specific Council Committees
- Ensure that the College has an effective risk management system and that:
 - Assessment of risk is current and therefore accurately reflects the business environment in which the Council is currently operating
 - Emerging risks are reported to Council contemporaneously
 - Risks are taken into account when financial and other strategic decisions are made by Council
 - Identified risks have assigned to them:
 - Appropriate controls (i.e retain, control, prevent or eliminate)
 - The person who is responsible for managing the risk
 - A due date for mitigation strategies to be implemented
- Address the effectiveness of the internal control, risk management and performance management systems with Management and the external auditors
- Assess effectiveness of, and compliance with, internal policies and procedures
- Obtain advice on compliance matters from the College lawyers as necessary
- Quarterly review the risk register and provide Council with a summary of the high and emerging risk

3. External Audit:

Recommended to Council on the appointment, remuneration & monitoring of the external auditor. Review the external auditor fee & terms of engagement and independence (including non-audit services).

Meet with the external auditor when appropriate.

Monitor & critique Management response to external auditor findings and recommendations.

Review the audit findings and the annual financial statements.

Review external audit results with Management.

Advise Council on the rotation of the external auditor as appropriate.

4. Internal Audit:

Recommend to Council the need for internal audit as appropriate.

5. Advice and support to Council

Perform other activities related to this charter as requested by Council.

Institute and oversee special investigations as needed.

Review and assess the adequacy of this charter annually

Confirm annually that all responsibilities outlined in this charter have been carried out.

Structure & Composition of the Finance & Risk Committee

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Membership

See Appendix A below.

Only College members of the FRC are entitled to vote (as per the Constitution).

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Appointment

The Council shall appoint, replace, or remove members to and from the Committee and review the composition of the Committee at least annually.

Chair

Should the Chair of the Committee be absent from the meeting and no acting Chair has been appointed, the members of the Committee present at the meeting have authority to choose one of the members other than non-voting members to be Chair for the particular meeting.

Operation of the Finance & Risk Committee

Secretariat

All records, including the agenda, minutes and any reports or recommendations will be prepared and kept by the College Manager or member of staff designated by them, in association with the FRC Chair.

Secretariat support will be provided as needed. This includes organizing the venue for the meeting, producing the notice of meeting, agenda and papers, as well as taking and circulating the minutes of the meeting.

Frequency of meetings & minimum number of meetings

The FRC will meet as frequently as is necessary to undertake its role effectively and in any event at least 4 times per year. At least two meetings will be in person unless there is intervention of extraordinary circumstances (COVID-19) as determined by Council.

Notice of meeting

The Chair may call a meeting of the FRC if required by any Committee member, the Chair of the Council, the Executive Officer or any member of Council. A notice of each meeting confirming the date, time, venue and agenda will be forwarded to each member of the Committee as soon as practicable prior to the meeting date.

Committee meetings are permitted to be held other than in person, by any technological means consented to by all members of the Committee

Attendees

Any member of the Council may attend and speak at a Committee meeting. Any invitee of a Committee member may attend and speak at the meeting.

Quorum for meetings

The quorum for a committee meeting is 2 voting members.

Conflicts of interest

Conflicts of interest should be brought to the attention of the Chair as soon as practical. In general, members of the FRC will not participate in discussions and will not vote on any issues in respect of a conflict of interest whether perceived or actual (in line with the College policy on conflicts of interest (insert hyperlink to policy)). However, the Chair will decide how to address the conflict and if that person be allowed to participate and/or vote. The decision should be recorded in the minutes.

Access to advice

The FRC has the authority to investigate any matters as set out within its Charter, with the resources it needs to do so and within the right of access of information including external professional advice as necessary. The resources must be approved by Council. Council should also be advised when external professional advice is requested.

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Formal mechanism for reporting key matters

The minutes of the FRC meetings shall be included in the papers for the next Council meeting. The Chair of the Committee shall report the finding and recommendations of the Committee to the Council after each Committee meeting, or as appropriate.

Review and assessment

The FRC shall perform an annual evaluation of its performance and provide that information to the Council.

Budget

The FRC shall draft and present an annual budget for consideration and approval by Council in line with the College Financial Year.

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APPENDIX A:



FINANCE & RISK COMMITTEE (FRC) SELECTION POLICY

The Council is responsible for appointing all members of the FRC.

FRC members are appointed for a term of 3 years and are eligible for re-appointment for a further term. A term commences from July following College Science Week. FRC members may resign from the FRC or may be removed by Council. Council will request expressions of interest when a position becomes vacant (see below).

The FRC Chair shall report to the College Council.

The membership of the committee shall be made up of the following:

1. Chair – usually the College Treasurer, unless this position is unfilled. The Council President is ineligible.
2. College Secretary
3. A current member of the College who is not a current College Councillor with experience on Council, a Council Committee or a Chapter Committee.

External member(s):

- Usually only one external member shall be on the FRC
- The person(s) should have significant and relevant experience and expertise in the areas of financial and risk governance
- The external person does not have voting rights

The Chief Executive Officer and College Manager shall be ex officio members of the FRC.

Other members may be coopted onto the FRC for periods of time to provide expertise as required. Council will approve the appointment on the recommendation of FRC. Those members will have no voting rights.

Selection Criteria for Membership of the FRC

Members must:

- Demonstrate enthusiasm and willingness to contribute to FRC activities
- Be available for FRC duties for an average of two to three hours per week,
- Be available to attend a meeting at College Science Week and one other face to face meeting

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Expressions of Interest should be lodged with the College Office by April with appointment commencing at College Science Week (July) of the same year, or following the resignation of an FRC member at another time.

Desirable within the FRC as a group:

- i. representation from a wide breadth of subject backgrounds and working experiences
- ii. skills and knowledge in financial & risk governance
- iii. a mixture of Members and Fellows, and non-member experts.
- iv. representation from New Zealand
- v. at least one of the members of the FRC must be able to demonstrate a significant relevant understanding of financial governance
- vi. at least one of the members of the FRC must have a significant relevant understanding of the veterinary industry.

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