# Swan Districts Football Club inc

#  finance and risk Committee

**Terms of Reference**

1. **Purpose and Scope**

The purpose of the Swan Districts Football Club (SDFC) is to build community and develop people. Our vision is to be a well-connected and engaged community club which improves social outcomes and sense of well-being in the Swans community. In turn, this will improve the club’s relevance by creating a reciprocal sense of belonging between Swans and the community the club belongs.

The Swans Finance and Risk Committee (Committee) is a Board Sub-Committee responsible for oversight of, and advice and recommendations to the Board on areas such as financial reporting (including asset management), risk management systems (including compliance management) and the internal and external audit functions (including internal control systems).

1. **Values**

The following enduring SDFC values represent what we stand for and how we behave. These values are the cornerstone of the club and are to be used to guide the actions of the Committee.

* We act with integrity
* Everyone matters
* Raise the bar to be the best you can
* We fly together
1. **Objectives**

The Committee will achieve the following objectives in supporting the Business Sustainability component of the SDFC Strategic Plan (2018-2022).

Financial Management

* Ensure appropriate policies, procedures and financial management practices are in place and regularly reviewed, including the application of contemporary accounting policies.
* Foster an ethical culture of reporting, transparency and accountability.
* Review and analyse monthly financial statements including variance reporting.
* Review and assess any significant estimates and judgments in financial reports.
* Monitor performance against the annual revenue and expenditure budget and strategy and suggest any action necessary to ensure the club remains within the annual budget approved by the Board.
* Monitor regular forecasting of midyear and end year results.
* Monitor Cash Management including forecasting.
* Oversee the development and management of, and recommend approval to the Board of a three year Capital Expenditure Plan.
* Oversee management of the Asset Register.
* Ensure the Chief Executive Officer is exercising due care, diligence and skill in relation to the club’s financial management.
* Recommend to the Board adoption of the annual budget.
* Recommend to the Board signing of the annual financial statements.
* Recommend to the Board approval of all banking arrangements.
* Review draft copies of the annual financial statements and key performance indicators prior to being signed off by the Board and Finance Director.?
* Review annually and approve the club’s insurance policies.
* Review and make recommendations to the Board on proposed cash investment strategies and capital investment criteria.

Internal and External Audit

* Monitor and evaluate processes promoting sound internal controls and good business management practices.
* Monitor and provide advice to the Board on the effectiveness of actions taken by management to address issues requiring attention as identified through internal auditing, external auditing, quality assurance management and risk management processes.
* Review, assess and recommend to the Board, the scope of all internal and external audits including identified risk areas and any additional agreed procedures.
* Conduct an exit interview with the external auditor each year.
* Review and assess audit reports and make recommendation to the Board.
* Review and monitor management’s responsiveness to Internal and External auditor’s findings and recommendations.
* Recommend to the Board the nomination of Auditor for the endorsement of Members at the AGM.

Risk Management

* Recommend to the Board the club’s risk management framework.
* Ensure there are effective systems in place for risk management including assessment of internal processes and documentation for determining, monitoring and assessing key risk areas including:
	+ non-compliance with laws, regulations, standards and best practice guidelines.
	+ important judgments and accounting estimates.
	+ litigation and claims.
	+ fraud and theft.
	+ any other business risks that are not dealt with by a specific committee.
* Review and update the Risk Register every year.
* Review and recommend to the Board the Risk Policy and Procedure annually, and other relevant Risk Management Policies and Procedures.
* Receive and analyse regular Compliance reports and ensure remedies are facilitated in an appropriate and timely manner.
* Ensure there is a clear policy and procedure for reporting, actioning and documenting breaches of laws, including fraud and theft.
1. **Authority**

The Committee will focus on governance processes affecting the deliverables associated with the club’s Strategic Plan and operations of the club. For this purpose, the Committee is delegated the necessary power and resources to meet its charter.

The Board does not authorise the Committee to commit to expenditure or enter into contractual agreements on behalf of the club without a specific instrument of delegation.

1. **Membership**

The membership of the Committee should comprise:

* SDFC President (ex-officio)
* SDFC Finance Director (Treasurer) as Chairperson.
* One other SDFC Board Member
* SDFC CEO
* SDFC Finance Manager
* Up to two other co-opted persons with relevant financial, business or risk skills

The current membership of the Committee is:

* Des Hardiman –SDFC Director (Chairperson)
* Matt Hewitson –SDFC Director
* Neville Bassett AM – Chairman, Westar Capital
* Brendan Valentine – BHP Risk Specialist
* Jeff Dennis – SDFC Chief Executive Officer (CEO)
* Gerard Roelofs – SDFC Finance Manager

Membership of the Committee will be appointed and changed at any time by the Board.

1. **Relationship with Management**

The Chairperson will provide advice and guidance to the Committee and review management’s completion of tasks as required. SDFC management shall undertake an executive role on te Committee by:

* Liaising with the Chairperson in the preparation of the agenda and minutes.
* Making recommendations to the Committee.
* Executing actions approved by the Committee.

The Chairperson will provide reports and advise recommendations of the Committee to the Board.

1. **Operation Principles**
* Meetings will be held monthly.
* Quorum to be three members, one of which must be a SDFC Board Member or CEO.
* The Committee will nominate a Secretariat.
* An agenda and notice of the meeting to be provided to the Committee one week prior to the meeting.
* Each member must attend a minimum of five meetings during a 12-month period.
* Minutes of each meeting will be circulated and reported to the Board through the Committee Chairperson.
* There will be an annual review of the Committee’s effectiveness.
* Members of the Committee are subject to the SDFC Code of Conduct. All new members will be provided with a SDFC induction.
1. **Evaluation of Committee Effectiveness**

The Committee will undertake an annual self-evaluation of effectiveness. The following matters will be considered:

* These terms of reference.
* The composition of the Committee.
* The operating principles of the Committee.
* The attendance and performance of respective members of the Committee.