

## TERMS OF REFERENCE:

### Finance Committee

#### Purpose and Scope

The primary purpose of the Finance Committee is to assist the Orthoptics Australia (OA) Board to fulfill its responsibilities relating to the financial stability, sustainability, processes and operation of the Association. Specific Finance Committee responsibilities are:

- Review and advise the OA Board on the financial management and financial sustainability of OA. In particular;
  - Accounting systems and process;
  - Bank accounts and signatories;
  - Budgeting;
  - Forecasting;
  - Cash and Income management;
  - Expenditure control;
  - Capital expenditure;
  - Cash flow;
  - Investments;
  - Financing and borrowing;
  - Safeguarding of assets;
  - Complex, major or unusual transactions; and
  - Periodic management reporting and variance analysis
- Review and evaluate internal controls to prevent and detect fraud, errors and misstatements;
- External financial reporting;
- Conducting an external audit by a qualified auditor;
- Risk management and mitigation;
- And Internal audit.

#### Committee Structure and Membership

- The Finance Committee is a Committee established by the OA Board with a maximum of 4 members. Ideally the committee members should be composed of;
  - 2 Elected Directors (other than the OA President)
  - 1 Member, either with financial management experience, skills or knowledge
  - 1 Appointed Director or a suitably qualified independent person, appointed for their specialist skills, expertise or knowledge (ideally a non-member with no personal connection to the Board)
  - OA President can attend as a co-opted non-voting member
  - Association Management representative attending all meetings as a non-member
- Appointments for independent members shall be for 3 years. Independent members are eligible for reappointment;
- The OA Board will appoint a Director as the Finance Committee Chair; and



# TERMS OF REFERENCE:

## Finance Committee

### Committee Structure and Membership (Cont'd)

- No member should serve on the Committee for more than 6 years. The Committee appointment and term expiration should be staggered so that only one Committee member leaves at one time.

### Reporting

The minutes of all meetings of the Committee will be recorded and provided to the OA Office within 14 days of each meeting for inclusion the agenda for the next OA Board Meeting. An additional written report can also be submitted to each Board meeting. Areas of concern that require immediate attention will be directed to the OA Board between Board Meetings.

The Committee will provide an annual report to the OA Board.

### Meeting Frequency

- The Committee will meet approximately 4 times a year and as required by changed or special circumstances;
- The external auditor should attend at least 1 meeting annually when the financial statements are being considered and may request any additional meetings;
- In exceptional circumstances the Committee Chair may request a private or “in camera” meeting of Committee members only with selected invitees as appropriate without staff members present;
- A quorum will be more than half the Committee members. In the Chair’s absence, members present will select a Chair for that meeting; and
- All members are expected to attend every meeting either in person or via telephone or videoconference.

### Authority / Decision Making

- The Committee does not have the authority to enter into contracts or agreements independently;
- The Committee makes recommendations to the OA Board on items within its Terms of Reference, including the appointment of an external auditor; and
- All matters requiring decisions will be decided by a simple majority of votes of members present. The Chair has no casting vote.

