Finance And Risk Advisory
TERMS OF REFERENCE

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Person(s) responsible for review:	Board Treasurer

Introduction

The Finance and Risk Advisory (FARA) is a subcommittee of the Board of Management (BOM) of Frankston District Netball Association Inc. (FDNA) pursuant to rule 24.1 (a) of the Constitution.

These Terms of Reference govern the meetings and proceedings of the FARA.

These Terms of Reference should be read in conjunction with the Constitution. To the extent that these Terms of Reference do not expressly provide, the provisions of the Constitution will apply.

Nothing in this Terms of Reference limits any powers or responsibilities of the BOM

Purpose

The purposes of FARA are to:

i) assist the BOM in its oversight of the integrity of the Association's finance reporting, including supporting the BOM in meeting its responsibilities regarding financial statements and the financial reporting systems and internal controls.

ii) provide input to the BOM in its assessment of risk and determination of risk appetite as part of the overall setting of strategy for the Association; and

iii) assist the BOM in its oversight of the Association's risk management framework, monitoring its effectiveness through functional implementation and its performance to protect against and mitigate risks at the Association

Terms of Reference

1. Authority

i) FARA is an advisory committee of the BOM, from which it derives its authority, to which it regularly reports and to which it is accountable for its performance.

ii) FARA has delegated authority from the BOM in respect of the functions and powers set out in these Terms of Reference and the Delegations Policy.

iii) FARA has authority to investigate any matter within its Terms of Reference and to obtain such information as it may require from Staff, members of the BOM, Wilson Business Services, Frankston City Council, Netball Victoria or other relevant organisation.

2. Chairperson

FARA members are appointed in an advisory capacity and do not assume the governance responsibilities of the BOM. Members provide informed review, questions and recommendations to support sound decision-making by the BOM.

I. The FARA Chair should be a BOM member. The role may be delegated by the Chair if unable to attend.

II. The FARA Chair has a casting vote, subject to the chair being a BOM member.

3. Membership

i) FARA will comprise at least four and no more than five members. At least two members must have recent and relevant financial or risk management experience.

i) Members of FARA shall be appointed by the BOM annually.

ii) Members can be co-opted onto FARA as the need arises to help fulfil the duties and obligations of the committee.

iii) Co-opted member appointments shall be made by the BOM on the recommendation of FARA.

iv) BOM and FDNA Staff members shall always comprise at least 50% of FARA.

v) Members may be removed from FARA at any time by the BOM.

Note: Relevant external experts may be invited to attend meetings as required

Volunteer Finance and Risk Advisory Member

Purpose of the role:
The Volunteer Finance and Risk Advisory Member supports the Finance and Risk Advisory by contributing relevant financial, audit, governance, compliance or risk management knowledge to assist the BOM in its oversight of FDNA's financial reporting, internal controls and risk management framework.

Key responsibilities:

- Attend FARA meetings and contribute constructively to discussions, reviews and recommendations.
- Review financial reports, budgets, audit findings, risk reports and related papers in advance of meetings.
- Ask informed questions that help test assumptions, identify gaps, strengthen controls and support good governance.
- Provide practical advice on financial management, audit readiness, risk appetite, internal controls, compliance and emerging risks relevant to FDNA.
- Support review of the Risk Register, financial reporting processes, audit outcomes and management responses.
- Assist with deep-dive reviews or specific advisory tasks requested by FARA or the BOM.
- Declare any actual, potential or perceived conflicts of interest and maintain confidentiality of all FARA business.

Skills and experience:
The role would suit a person with experience in one or more of the following areas: finance, accounting, audit, risk management, governance, compliance, business operations, not-for-profit administration or community sport administration. Formal qualifications are desirable but not essential where the person can demonstrate relevant practical experience and sound judgement.

Time commitment:
The role requires attendance at (approximate) monthly meetings, preparation before meetings and occasional additional input between meetings where specific matters require review.

Appointment and reporting:
The member is appointed by the BOM in accordance with the Terms of Reference and participates as a member of FARA. The role reports through the FARA Chair to the BOM.

Key attributes:
The member should demonstrate integrity, independence of judgement, confidentiality, a collaborative approach, respect for volunteer and staff contributions, and a commitment to supporting FDNA's financial sustainability and responsible risk management.

4. Duration of appointments

Unless otherwise determined by BOM, the duration of appointments of members of FARA, and of co-opted members shall be for a period of up to three (3) years.

5. Meetings

ii) Either the General Manager or Operations Manager shall attend all meetings and record the proceedings and decisions of FARA meetings. The Minutes shall be circulated to all members and attendees, as appropriate, taking into account any conflicts of interest that may exist.

iii) FARA shall meet a minimum of bi-monthly or otherwise as required.

iv) Any three members of FARA may form a quorum, provided the Chair or delegated Chair is in attendance.

v) In the event of difficulty in forming a quorum, BOM members who are not members of FARA may be co-opted as members for individual meetings to form a quorum, provided the General Manager or Operations Manager is in attendance.

vi) A duly convened meeting of FARA at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by FARA.

6. Recommendations

i) FARA shall reach decisions by a simple majority of those voting on the issue in question. If the numbers of votes for and against a certain proposal are equal, the Chair shall have a casting vote.

ii) Any recommendation evidenced in writing or by electronic or voice recognition means, by such member or members of FARA as would have been necessary to pass such resolution had all members been present at a meeting to consider such resolution, shall be valid and effective as if it had been passed at a meeting duly convened and held, provided that notice and details of the proposed resolution have been given in advance to each member.

iii) FARA recommendations shall be submitted to the BOM as part of an overall report, for the full BOM to consider and make determinations as they see fit.

7. Confidentiality

Unless otherwise required by law or the Constitution, the members of the Committee are required to keep FARA discussions, papers and deliberations confidential, as outlined in the Confidentiality Policy.

8. Conflict of Interest

i) BOM is committed to high standards of ethical conduct and accordingly places great importance on making clear any existing, potential or perceived conflict of interest.

ii) FARA shall comply with the Association's Conflict of Interest Policy ensuring that any real or perceived conflicts of interest are recorded and declared to the BOM prior to commencing any role on FARA.

Before commencing the role, each FARA member must confirm they have read and understood the Confidentiality Policy, Conflict of Interest Policy and any related register or agreement required by FDNA.

Responsibilities

9. Financial reporting

FARA shall monitor the integrity of the financial statements of FDNA, including its annual report relating to its financial performance, and review and report to the BOM on significant financial reporting issues and judgements.

In particular, FARA shall review and challenge where necessary:

a) the application of significant financial policies and any changes to them;

b) the methods used to account for significant or unusual transactions;

c) whether FDNA has made appropriate estimates and judgements,

d) all material information presented with the financial statements, including the strategic plan and statements relating to risk management.

e) Financial reports and budgets

10. Audit

FARA is responsible for:

a) considering the appointment of the auditor.

b) reviewing the findings of the audit, as well as management's response on completion.

c) resolving disagreements between management or the Accountant and the auditor regarding financial reporting; and

d) meeting with the auditor (without management being present), to discuss the auditor's remit and any issues arising from the audit, if necessary.

11. Internal control and Risk Management

FARA is responsible for:

a) reviewing the Association's Risk Register.

b) the robustness of risk management policies and processes and their fitness for purpose when tested against the Risk Register and risk appetite.

c) receiving regular assurance reports from management covering child safety, risk management, regulatory compliance and other ad hoc reports the BOM may request from time to time.

d) the timeliness of and reports on, the effectiveness of corrective action taken.

e) undertaking deep-dive reviews into significant risks at the request of the BOM or where, in FARA's view, further scrutiny is required.

f) considering the major findings of any relevant internal investigations into control weaknesses, fraud or misconduct and management's response; and

g) providing input and recommendations to the BOM on the Association's strategy for risk, including appropriate mitigations and risk appetite.

12. Reporting

a) Minutes of each meeting will be disclosed at the next meeting of the BOM.

b) Periodically the Chair shall report to the BOM on matters within its duties and responsibilities.

c) FARA shall make available to new members a suitable induction process and, for existing members, ongoing training as discussed and agreed on by FARA.

d) FARA shall conduct an annual self-assessment of its activities and report any conclusions and recommendations to the BOM.

e) FARA shall, in its recommendations, give due regard to any relevant legal or regulatory requirements, and associated best practice guidance, as well as to the risk and reputation implications of its recommendations.

f) FARA shall have access to sufficient resources to carry out its duties and have the power to engage independent counsel and other professional advisers and to invite them to attend meetings.

13. Review

FARA shall review its Terms of Reference annually, and may recommend amendments to the BOM.

14. Supporting Documentation:

- FDNA Constitution
- Confidentiality Policy and agreement
- Conflict of Interest Policy and register
- Delegations Policy and schedule
- Previous year's audited financial reports and Association's Annual Report