



Audit and Risk Committee Charter

1. Objective

The Audit and Risk Committee is a committee of the S+SNZ Board. The objective of the Audit and Risk Committee is to provide assurance and assistance to the Board and CEO on S+SNZ risk, control and compliance framework, and its external accountability responsibilities.

2. Authority

The S+SNZ Board authorises the Committee, within the scope of its role and responsibilities, to:

- i. obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- ii. discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- iii. obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at S+SNZ expense; and
- iv. report or give advice to the S+SNZ Board.

3. Composition and tenure

The Committee will consist of at least three members appointed by the S+SNZ Board with a minimum of one external (non-Council/Board) appointment.

The A & R committee will appoint the chairperson of the Committee.

Members will be appointed for an initial period not exceeding two years after which they will be eligible for extension or re-appointment, after a formal review of their performance.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of S+SNZ. At least one member of the Committee should have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.

4. Role and responsibilities

The Committee has no executive powers, beyond the authority stated, and is advisory only.

The Committee is directly responsible and accountable to the S+SNZ Board for the exercise of its responsibilities.

The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the S+SNZ Board from time to time.

5. Risk management

The Committee's responsibilities are to advise the S+SNZ Board on:

- i. the current and comprehensive risk management framework, and associated procedures for effective identification and management of S+SNZ financial and business risks, including delegated authorities and fraud;
- ii. whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- iii. the effect of S+SNZ risk management framework on its control environment and insurance arrangements; and
- iv. whether a sound and effective approach has been followed in establishing S+SNZ business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.

6. Control framework

The Committee's responsibilities are to advise the S+SNZ Board on:

- i. management's approach to maintaining an effective internal control framework is sound and effective;
- ii. management has in place relevant policies and procedures, and that these are periodically reviewed and updated;
- iii. the appropriateness of processes in place to assess, at least once a year, whether policies and procedures are complied with;
- iv. whether appropriate policies and procedures are in place for the management and exercise of delegations;
- v. identify any required changes to the design or implementation of internal controls; and
- vi. review whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

7. Financial accountability

The Committee's responsibilities are to advise the S+SNZ Board on:

- i. the financial statements in the lead up to a Board meeting and report their findings to the full S+SNZ Board as appropriate;

- ii. EOY financial statements and provide advice to the Chief Executive (including whether appropriate action has been taken in response to audit recommendations and adjustments), and recommend their signing by the President and Chief Executive; and
- iii. satisfy itself that the financial statements are supported by appropriate management sign-off on the statements and on the adequacy of the systems of internal controls.

8. Legislative compliance

The Committee's responsibilities are to advise the S+SNZ Board on:

- i. management has appropriately considered legal and compliance risks as part of S+SNZ risk assessment and management arrangements; and
- ii. effectiveness of the system for monitoring S+SNZ compliance with relevant laws, regulations, and associated government policies.

9. External audit

The Committee's responsibilities are to advise the S+SNZ Board on:

- i. the financial statements and the audit coverage proposed by the external auditor, and provide feedback on the audit services provided;
- ii. all external plans and reports for planned or completed audits and monitor management's implementation of audit recommendations; and
- iii. action taken on significant issues raised in relevant external audit reports and good practice guides.

10. Responsibilities of Committee members

Members of the Committee are expected to:

- i. contribute the time needed to study and understand the papers provided;
- ii. apply good analytical skills, objectivity, and good judgement; and
- iii. express opinions frankly, ask questions that go to the core of the issue, and pursue independent lines of enquiry.

11. Reporting

The Committee will regularly, but at least once a year, provide a consolidated report to the S+SNZ Board on its operation and activities during the year.

The report should include:

- i. a summary of the work the Committee performed to fully discharge its responsibilities during the preceding year; and
- ii. a summary of S+SNZ progress in addressing the findings and recommendations made in external audit reports.

The Committee may, at any time, report to the Chief Executive or the S+SNZ Board any other matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the Chief Executive or the S+SNZ Board.

12. Administrative arrangements

Meetings

The Committee will meet at least three times each year. A special meeting may also be held to review the S+SNZ end of year result.

The chairperson is required to call a meeting if requested to do so by the S+SNZ Board or another A & R Committee member.

A meeting plan, including dates and agenda items, will be agreed by the Committee each year. The meeting plan will cover all of the Committee's responsibilities as detailed in this charter.

Attendance at meetings and quorums

A quorum will consist of a majority of Committee members. Where there is more than one independent member on the Committee, a quorum will include at least one independent member.

Meetings can be held in person, by telephone, by video conference or by email.

The CEO will be invited to attend each meeting, unless requested not to do so by the Chairperson of the Committee. The Committee may also ask other employees to attend Committee meetings or participate for certain agenda items.

Secretariat

The Chief Executive will provide secretariat support to the Committee. The Secretariat will ensure that the agenda for each meeting and supporting papers are circulated, after approval from the Chairperson, at least one week before the meeting, and ensure that the minutes of the meetings are prepared and maintained. Minutes must be approved by the Chairperson and circulated within one week of the next Board meeting and to each member and Committee observers, as appropriate.

Conflicts of interest

A & R Committee members are to provide written declarations to the Chief Executive stating any conflicts or potential conflicts of interest.

Committee members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately recorded in the minutes and added to the conflicts register.

Where any member is deemed to have a real, or perceived, conflict of interest at a Committee meeting, it may be appropriate that they are excused from Committee deliberations on the issue where the conflict of interest exists.

Induction

New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

Assessment arrangements

The chairperson of the Committee, in consultation with the S+SNZ Board Chairperson will initiate a review of the performance of the Committee at least once every two years.

Review of charter

At least once a year, the Committee will review this charter.

Initiated: **March 2013**

Updated: **February 2016**

Review: ***June 2017***