



## **Terms of Reference for the National Finance Committee**

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## **Policy Statement**

The primary objective of the National Finance Committee is to assist the National Executive in overseeing all aspects of the financial management and auditing processes of the Union and to make recommendations to the National Executive regarding the financial operation of the Union including financial risk management strategies and financial policies and procedures.

### **1. Committee Membership**

1.1 The Committee shall comprise the Officers of the Union, as defined in Rule 14 of the Registered Rules of the Union, being:

- National President
- Two National Vice-Presidents
- Two National Trustees
- National Secretary
- National Assistant Secretary

1.2 The National Executive will at the first National Executive meeting following the biannual review of the Terms of Reference, appoint one of the National Officers to act as Committee Chairperson. In the absence of the Committee Chairperson the remaining members present shall elect one of their number present to chair the meeting.

1.3 At all times care should be taken to minimise the risk of any conflict of interest within the Committee that might be seen to give rise to an unacceptable influence. Any member of the Committee who has a pecuniary or material interest in any matter under consideration by the Committee must absent themselves from the meeting or portion of meeting where such matters are under consideration and must not participate in any vote regarding those matters.

Pecuniary interest includes any matter that may directly benefit the Branch of the union that a National Officer holds a dual office. For example rental or service agreements where facilities are shared with a Branch and the National Office.

### **2. Quorum**

The quorum for any meeting of the Committee shall be four members.

### **3. Mode and Frequency of Meetings**

3.1 The Committee shall meet at least once a month.

3.2 A meeting of the Committee can be requested by the Chairperson or any member of the Committee at any time, if they consider one is necessary.

- 3.3 The Committee may meet in person, by way of telephone conference, or by any other appropriate electronic means.

#### **4. Out of Session Votes**

- 4.1 The National Secretary in consultation with the Chair of the Committee may determine that an Out of Session Vote of the National Finance Committee be held on any matter with sufficient importance that it needed to be resolved before the next full meeting of the National Finance Committee.
- 4.2 An out of session motion may be put to the vote of all members of the National Finance Committee by either postal or electronic means. The results of the vote must be recorded.
- 4.3 Once the result of an Out of Session Vote is determined, having provided a reasonable period for a vote to be returned, the National Secretary must advise the National Finance Committee of the result indicating the number who vote for, against or abstained and the number who did not vote.
- 4.4 If any three members of the National Finance Committee object to the Chair of the Committee to a matter being dealt with by way of an Out of Session Vote, the vote must not be taken and the matter must be referred to a meeting of the National Finance Committee.
- 4.5 The outcome of an Out of Session Vote must be recorded as such in the minutes of the meeting immediately preceding the Out of Session Vote as if it was a vote of that meeting.

#### **5. Notice of Meetings**

- 5.1 Meetings of the Committee shall be called by the National Secretary in consultation with the Chairperson of the Committee.
- 5.2 Generally the notice of meetings will be five working days however as a particular aspect of the Committee's terms of reference is to authorise, possibly at short notice, extraordinary operating expenditure within the authorities delegated to it by the National Executive, notice of meetings may be less than the required five working days.

#### **6. Minutes of Meetings**

- 6.1 The National Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

- 6.2 Minutes of Committee meetings shall be circulated to all members of the Committee for them to comment on the accuracy or otherwise; after which the minutes shall be signed by the Chairperson and filed.
- 6.3 Minutes of Committee meetings shall be circulated before the next National Executive meeting to all members of the National Executive.

## **7. Role and Function of the Committee**

- 7.1 With the advice of the National Secretary, develop the Union's annual budget in time for the budget to be adopted by the National Executive by May each year;
- 7.2 Monitor and report to National Executive on the financial performance of the Union against the budget.
- 7.3 Ensure there are adequate internal control systems in place and functioning to promote operational efficiency, minimise financial risk and fraud, and to ensure financial accountability.
- 7.4 Examine and monitor all expenditure of the union to ensure that expenditure is consistent with achieving the objects of the Union.
- 7.5 Examine and monitor all credit card expenditure by employees and paid officers of the Union to ensure compliance with Union policy and procedures.
- 7.6 Authorise any extraordinary operating expenditure exceeding \$10,000 but less than \$50,000 and report such expenditure to the next meeting of the National Executive.
- 7.7 Ensure that the Financial Governance Procedures for the National Office are complied with at all times.
- 7.8 Ensure that the rules of the Union concerning the finances and financial management of the Union are complied with at all times.
- 7.9 Ensure that the Fair Work (Registered Organisations) Act 2009 and the associated Regulations concerning the finances and financial management of the Union are complied with at all times.
- 7.10 Serve as the Audit Committee to:
  - (a) oversee any tender process for the appointment of the National Auditor and make recommendations regarding the appointment of the National Auditor to the National Executive; and

- (b) monitor and ensure that the Union is complying with all requirements and obligations regarding financial management and reporting requirements under Fair Work (Registered Organisations) Act 2009 and the associated Regulations-; and
- (c) meet with the National Auditor to ensure that:
  - (i) the Union has implemented appropriate systems to identify, monitor and mitigate significant financial risk.
  - (ii) that appropriate systems of internal control, which ensure compliance with Union policies and procedures, are in place and operating effectively.
  - (iii) that the Union’s annual financial statements are fairly represented in all material respects in accordance with Australian accounting principles and Standards.
  - (iv) any matter that the National Auditor wishes to bring to the attention of the National Executive has been given adequate attention.
  - (v) the audit function has been effectively carried out.

## **8. Committee Reporting Responsibilities**

- 8.1 On the financial matters of the Union, the Committee shall report to each meeting of the National Executive.
- 8.2 The Committee may make recommendations on any matters concerning the financial management and operation of the Union including but not limited to:

Financial risk management strategies  
Financial policies and procedures  
Appointment of the National Auditor

## **9. National Secretary’s Reporting Responsibilities**

- 9.1 At least three days prior to any meeting of Finance Committee, the National Secretary will provide the Committee with the following:

Balance Sheet Report  
Profit & Loss (Month and Year to Date) Reports  
Profit & Loss (Budget Analysis) Report  
Reconciliations Report  
Payments Report (Bank Register)

Commbiz Transaction Reports  
Aged Receivables Report  
Aged Payables Report  
Purchase Register  
Monthly Bank Statement  
Monthly Credit Card Statements  
Monthly Expense Claims  
Monthly Travel Expense Claims  
Monthly Travel Reports

- 9.2 Provide any other financial documentation and/or information requested by any member of the Committee.
- 9.3 At each meeting of the Committee, bring to the attention of members of the Committee any matter the Committee should be aware of.
- 9.4 Report any extraordinary operating expenditure up to \$10,000 to the Committee as soon as is practicable after the making of the expenditure.

## **10. Authority**

- 10.1 The authority of the Committee is derived from powers assigned to the Committee by the National Executive and the rules of the Union. In assigning its powers, the National Executive shall not be divested of any power which it may have assigned to the Committee. The National Executive or National Council may amend or revoke any decision of the National Finance Committee.
- 10.2 The National Finance Committee is authorised by the National Executive:
  - (a) to investigate any transaction, activity or matter regarding the financial management and operation of the National Union and National Office of the Union within its Terms of Reference; and
  - (b) to seek any information it requires from any employee of the Union, including any paid Officer of Union, in order to perform its duties; and
  - (c) to liaise with and request any information from the Union's Financial Controller; and
  - (d) to obtain any legal or other independent professional advice from any person with relevant experience and expertise if it considers this necessary; and
  - (e) to seek the advice and views of the National Auditor appointed by the National Council or National Executive.

- (f) to approve expenditure as provided for in Financial Management Policies and Procedures and the Rules of the Union.

## **11. Review of the Terms of Reference**

At least biannually, the National Finance Committee will undertake a review of the operation of these Terms of Reference to ensure that they are adequately assisting in regulating the financial governance of the Union and report the findings of the review to the National Executive.

**END**