



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

<b>Policy Approval Date:</b>	12 April 2019
<b>Approved by:</b>	National Finance Committee
<b>Approval Resolution No:</b>	NFC 2019/025
<b>Policy Application Date:</b>	12 April 2019
<b>Version No:</b>	V6.0
<b>Replaced Version No &amp; Date:</b>	V5.0 (25 May 2017)
<b>Next Review Date:</b>	June 2021

## **Introduction**

The Health Services Union (HSU) is the union representing members employed or usually employed in the health and human service industries in Australia.

In this Policy, the HSU includes the following Branches:

- New South Wales/ ACT/ Queensland Branch
- South Australia/ Northern Territory Branch
- Tasmania Branch (Trading as Health & Community Services Union)
- Victoria No.1 Branch (Trading as Health Workers Union)
- Victoria No.2 Branch (Trading as Health & Community Services Union)
- Victoria No.3 Branch (Trading as Victorian Allied Health Professionals Association)
- Victoria No.4 Branch
- Western Australia Branch

## **Policy Statement**

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

HSU National Employees and National Officers are expected to uphold the integrity of the Union in the highest manner when undertaking their duties and in their undertakings with members, employers, outside organisations and suppliers.

- HSU National Employees and National Officers must behave honestly and with integrity in the course of their employment or duties.
- HSU National Employees and National Officers must disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with Union employment or duties.
- HSU National Employees and National Officers must not make improper use of inside information or use their duties, status, power or authority in order to gain, or seek to gain, an improper benefit or advantage for themselves or for any other person.
- HSU National Employees and National Officers must at all times observe The Financial Responsibilities of Officers as determined by the Rules of the Union.

## Branch Policy

Where a Branch does not have a policy consistent with this policy, this policy will apply to that Branch substituting the Branch structures, Officers and Employees with those contained in this policy where appropriate.

### 1. Definitions

**'Credit Card'** also means 'Debit Card'

**'Committee'** means the National Finance Committee of the HSU

**'Council'** means the National Council of the HSU

**'Executive'** means the National Executive of the HSU

**'Financial Controller'** means the person appointed to manage and operate the financial accounts of the Union on a day to day basis and appointed as such by resolution of the National Executive.

**'HSU Rules'** means the rules of the HSU registered in accordance with the Act

**'Immediate Family'** means any child, stepchild, parent, stepparent, spouse (including defacto), sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, and any person (other than a tenant or Employee) sharing the household of the National Employee or National Officer.

**'National'** or **'HSU National'** means the National Office of the HSU.

**'National Officer'** whether paid or not, has the same meaning as the phrase 'officer of an organisation' in Division 3A of Part 2 of Chapter 5 of the Act, and includes the officers referred to in sub-rule 14(a), the members of National Executive referred to in sub-rule 20(a) but excludes, for the purpose of this policy, branch delegates to National Council referred to in sub-rule 15(a)(ii) unless they otherwise meet the definition of National Officer.

**'National Secretary'** also includes a person appointed to act in that position by the National Executive in accordance with rule 27(a)(ii) of the Registered Rules of the HSU.

**'The Act'** means the *Fair Work (Registered Organisations) Act 2009*.

### 2. Finance Committee Membership

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

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

- National Assistant Secretary
- 2.2 The Executive will at the first Executive meeting following the biennial 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.
- 2.3 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.
- 2.4 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.

### **3. Quorum**

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

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

- 4.1 The Committee shall meet at least once every two months.
- 4.2 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.
- 4.3 The Committee may meet in person, by way of telephone conference, or by any other appropriate electronic means.

### **5. Out of Session Votes**

- 5.1 The National Secretary in consultation with the Chair of the Committee may determine that an Out of Session Vote of the Committee be held on any matter with sufficient importance that it needed to be resolved before the next full meeting of the Committee.
- 5.2 An out of session motion may be put to the vote of all members of the Committee by either postal or electronic means. The results of the vote must be recorded.
- 5.3 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 Committee of the result indicating the number who vote for, against or abstained and the number who did not vote.

- 5.4 If any three members of the 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 Committee.
- 5.5 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.

## **6. Notice of Meetings**

- 6.1 Meetings of the Committee shall be called by the National Secretary in consultation with the Chairperson of the Committee.
- 6.2 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 Executive, notice of meetings may be less than the required five working days.

## **7. Minutes of Meetings**

- 7.1 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.
- 7.2 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.
- 7.3 Minutes of Committee meetings shall be circulated before the next Executive meeting to all members of the Executive.

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

- 8.1 With the advice of the National Secretary, develop the HSU National annual budget in time for the budget to be adopted by the Executive by June each year;
- 8.2 Monitor and report to Executive on the financial performance of HSU National against the budget.
- 8.3 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.
- 8.4 Examine and monitor all expenditure of HSU National to ensure that expenditure is consistent with achieving the objects of the HSU.
- 8.5 Examine and monitor all credit card expenditure by employees and paid officers of HSU National to ensure compliance with HSU policy and procedures.

- 8.6 Authorise any extraordinary operating expenditure exceeding \$10,000 but less than \$50,000 and report such expenditure to the next meeting of the Executive.
- 8.7 Ensure that the Financial Governance Procedures for the HSU National are complied with at all times.
- 8.8 Ensure that the rules of the HSU concerning the finances and financial management of the HSU are complied with at all times.
- 8.9 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.
- 8.10 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 Executive; and
  - b. monitor and ensure that HSU National 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) HSU National has implemented appropriate systems to identify, monitor and mitigate significant financial risk.
    - (ii) that appropriate systems of internal control, which ensure compliance with HSU policies and procedures, are in place and operating effectively.
    - (iii) that HSU National'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 Executive has been given adequate attention.
    - (v) the audit function has been effectively carried out.

## **9. Committee Reporting Responsibilities**

- 9.1 On the financial matters of HSU National, the Committee shall report to each meeting of the Executive.

- 9.2 The Committee may make recommendations on any matters concerning the financial management and operation of HSU National including but not limited to:
- a. Financial risk management strategies
  - b. Financial policies and procedures
  - c. Appointment of the National Auditor

## **10. National Secretary's Reporting Responsibilities**

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

## **11. Authority**

- 11.1 The authority of the Committee is derived from powers assigned to the Committee by the Executive and the rules of the HSU. In assigning its powers, the Executive shall not be divested of any power which it may have assigned to the Committee. The Executive or Council may amend or revoke any decision of the Committee.

11.2 The Committee is authorised by the Executive:

- a. to investigate any transaction, activity or matter regarding the financial management and operation of the National Union and National Office of the HSU within its Terms of Reference; and
- b. to seek any information it requires from any employee of HSU National, including any paid Officer, in order to perform its duties; and
- c. to liaise with and request any information from the National 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 Council or Executive.
- f. to approve expenditure as provided for in Financial Management Policies and Procedures and the Rules of the HSU.

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

12.1 At least every two years, 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**