

## POLICY AND PROCEDURES

### Terms of Reference for the National Finance Committee

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<b>Approved by:</b>	National Finance Committee
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<b>Next Review Date:</b>	December 2021
<b>Relevant Rule:</b>	HSU Rule 89
<b>Relevant Legislation:</b>	Fair Work Act (2009); Fair Work (Registered Organisations) Act (2009); Income Tax Assessment Act (1936); Corporations Act (2001)
<b>Scope:</b>	This policy, or parts of this policy have application to all HSU Branches

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## **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
- South Australia/ Northern Territory
- 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 (Trading as Medical Scientists Association of Victoria)
- Western Australia

## **Policy Statement**

HSU National Officers and employees 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 Officers and employees must behave honestly and with integrity in the course of their employment or duties.

HSU National Officers and employees must disclose, and take reasonable steps to avoid, any conflict of interest (real or apparent) in connection with Union employment or duties.

HSU National Officers and employees 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 Officers and employees 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.

## Definitions

**'conflict of interest'** includes:

- a) an actual conflict of interest, where a material interest interferes with the proper performance of the duties of the employee or member, and
- b) an apparent conflict of interest, where it could be perceived by others that the material interests of the member interferes with the proper performance of the duties of the member, whether or not this is in fact the case, and
- c) a potential conflict of interest, where the material interests of the member could interfere with the proper performance of the duties of the member in the future.

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

**'employee'** means HSU National employee.

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

**'Finance Committee'** or **'Committee'** means the National Finance Committee 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 Executive.

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

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

**'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 *Fair Work (Registered Organisations) Act 2009*.

**'National Secretary'** means person elected by National Council as such in accordance with rule 23B to act in accordance with responsibilities under rule 26 of the HSU Rules.

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

## **1. Finance Committee Membership**

- 1.1 The Finance 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
- 1.2 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.
- 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.
- 1.4 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.

## **2. Quorum**

- 2.1 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 every two months. The dates and times of meeting are determined by the National Executive or the Committee or the Chairperson.
- 3.2 If considered necessary, an extraordinary meeting may be called by the National Secretary in consultation with the Chairperson or at the request of three members of the committee.
- 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 or the Chairperson 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.

- 4.2 If any three members of the Committee object 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.
- 4.3 An out of session motion may be put to the vote of all members of the Committee by electronic means; a reasonable period for a vote to be returned must be provided.
- 4.4 Once the result of an Out of Session Vote is determined, the results of the vote must be recorded indicating the number who vote for, against or abstained and the number who did not vote.
- 4.5 The National Secretary must report all Out of Session Votes conducted and the recorded results to the meeting of the Committee immediately preceding vote/s and the outcome is recorded in the minutes of the committee as if it was a vote of that meeting.

## **5. Notice of Meetings**

- 5.1 The National Secretary shall give notice of meetings in accordance with an approved schedule of meetings or any determined extraordinary meeting.
- 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 Executive, notice of meetings may be less than the required five working days.

## **6. Minutes of Meetings**

- 6.1 The National Secretary shall ensure the proper minuting of 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 Executive meeting to all members of the Executive.

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

- 7.1 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.
- 7.2 Monitor and report to Executive on the financial performance of HSU National 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 HSU National to ensure that expenditure is consistent with achieving the objects of the HSU.
- 7.5 Examine and monitor all credit card expenditure by employees and paid officers of HSU National to ensure compliance with HSU 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 Executive.
- 7.7 Ensure that the Financial Governance Procedures for the HSU National are complied with at all times.
- 7.8 Ensure that the rules of the HSU concerning the finances and financial management of the HSU 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 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.

## **8. Committee Reporting Responsibilities**

- 8.1 On the financial matters of HSU National, the Committee shall report to each meeting of the Executive.
- 8.2 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

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

- 9.1 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
  - Payments Report (Bank Register)
  - Commbiz Transaction Reports
  - Aged Receivables Report
  - Aged Payables Report
  - Purchase Register
  - Monthly Bank Statement and Bank Reconciliations
  - Monthly Credit Card Statements and Reconciliations
  - Monthly Expense Claims
  - Monthly Travel Expense Claims
  - Monthly Travel Register
- 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 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.

- 10.2 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.

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

- 11.1 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**