

POLICY AND PROCEDURES

Terms of Reference for the National Finance Committee

Policy Approval Date: 11/04/2024

Approved by: National Finance Committee

Approval Resolution No: NE 2024/021

Policy Application Date: 11/04/2024

Version No: 9

Replaced Version No & Date: V8 17 February 2022

Next Review Date: February 2026

Relevant Rule: HSU Rule 89

Relevant Legislation: Fair Work Act (2009); Fair Work (Registered Organisations) Act (2009); Occupational Health and Safety Act 2004 (Vic); Income Tax Assessment Act (1936); Corporations Act (2001)

1. Background

The National Finance Committee is established under Rule 75 of the registered Rules of the HSU. These terms of reference set out the Committee's purpose, authority, membership, and responsibilities.

2. Purpose

The purpose of the Committee is to assist the National Executive in fulfilling its role under the Rules of the HSU to oversee the appropriate use of Union funds and resources.

3. 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*.

4. Finance Committee Membership

4.1 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
- National Senior Vice President
- Two National Vice-Presidents
- National Secretary
- National Senior Assistant Secretary
- National Assistant Secretary

4.2 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.

4.3 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.

4.4 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.

5. Quorum

5.1 The quorum for any meeting of the Committee shall be four members (60% of the members of the committee).

6. Mode and Frequency of Meetings

6.1 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.

6.2 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.

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

7. Out of Session Votes

- 7.1 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.
- 7.2 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.
- 7.3 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.
- 7.4 Once the result of an Out of Session Vote is determined, the results of the vote must be recorded indicating the officers who moved, seconded, voted for, against or abstained and the officers who did not vote.
- 7.5 The National Secretary must report all Out of Session Votes conducted and the recorded results to the next meeting of the Committee. The vote/s and the outcome must be recorded in the minutes of the reported meeting as if it was a vote of that meeting.

8. Notice of Meetings

- 8.1 The National Secretary shall give notice of meetings in accordance with an approved schedule of meetings or any determined extraordinary meeting.
- 8.2 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.

9. Minutes of Meetings

- 9.1 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.
- 9.2 Minutes of Committee meetings shall be considered and adopted at the next meeting of Committee. The Chairperson of the meeting adopting the minutes shall sign the minutes to acknowledge the adoption before being filed.
- 9.3 Minutes of Committee meetings shall be circulated before the next Executive meeting to all members of the Executive.

10. Role and Function of the Committee

- 10.1 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.
- 10.2 Monitor and report to Executive on the financial performance of HSU National against the budget.
- 10.3 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.
- 10.4 Examine and monitor all expenditure of HSU National to ensure that expenditure is consistent with achieving the objects of the HSU.
- 10.5 Examine and monitor all credit card expenditure by employees and paid officers of HSU National to ensure compliance with HSU policy and procedures.
- 10.6 Authorise any extraordinary operating expenditure exceeding \$15,000 but less than \$50,000 and report such expenditure to the next meeting of the Executive.
- 10.7 Ensure that the Financial Governance Procedures for the HSU National are always complied with.
- 10.8 Ensure that the rules of the HSU concerning the finances and financial management of the HSU are always complied with.
- 10.9 Ensure that the Fair Work (Registered Organisations) Act 2009 and the associated Regulations concerning the finances and financial management of the Union are always complied with.
- 10.10 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.

11. Committee Reporting Responsibilities

- 11.1 On the financial matters of HSU National, the Committee shall report to each meeting of the Executive.
- 11.2 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

12. National Secretary's Reporting Responsibilities

- 12.1 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
- 12.2 Provide any other financial documentation and/or information requested by any member of the Committee.
- 12.3 At each meeting of the Committee, bring to the attention of members of the Committee any matter the Committee should be aware of.

- 12.4 Report any extraordinary operating expenditure up to \$15,000 to the Committee as soon as is practicable after the making of the expenditure.

13. Authority

- 13.1 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.
- 13.2 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.

14. Confidentiality

- 14.1 The Financial Records of the HSU National are confidential and to be kept in accordance with the provision of the Act.
- 14.2 The HSU National will make available to any financial member of any branch of the HSU, the financial records of HSU National, in accordance with the provisions of s235 or s236 of the Act, or rule 84 of the HSU Rules.
- 14.3 The provisions of rule 84(d) concerning the improper use of the records apply whether the information is accessed under the HSU Rules or the provisions of the Act.
- 14.4 Breach of the provisions constitutes a breach of the HSU Rules and therefore a breach of the Act.

15. Compliance and Review of the Terms of Reference

- 15.1 A substantial or repeated breach of this policy by a National Officer covered by the scope of this policy will be deemed to be misconduct under the rules of the HSU, in the case of a National Officer.

- 15.2 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.
- 15.3 The Finance Committee will each have a standing 'Governance Issues' agenda item for each meeting to provide a regular forum for the discussion of HSU National financial governance issues.
- 15.4 The National Secretary will ensure that all relevant policies and procedures are made available to National Officers.