



Finance, Audit & Risk Committee Terms of Reference

1. Role, Purpose and Responsibilities

The Finance, Audit & Risk Committee is a Committee of the Board of Lifeline Mid Coast from which it derives its authority and to which it regularly reports. Its purpose is to oversee all matters concerning:

- The integrity of Lifeline Mid Coast's financial statements and financial reporting systems.
- The external auditor's qualifications, performance, independence and fees.
- Oversight and performance of the internal audit function.
- Lifeline Mid Coast's compliance with financial reporting and related regulatory requirements.
- Risk management.

The Committee reviews, assesses and makes recommendations to the Board on:

- Any significant estimates and judgments in financial reports, and monitors the methods used to account for unusual transactions.
- The processes used to monitor and comply with laws, regulations and other requirements relating to external reporting of financial and non-financial information.
- The major financial risk exposures.
- Risk appetite, risk policy and risk management framework.
- Strategic risk management plan.
- Work Health & Safety.
- The effectiveness of Management's control of risks.
- Oversee the development and ongoing review of key policies that support our frameworks from managing risk.

Any matters pertaining to any of the key items above, should be approved, or at a minimum, be provided for information to the Finance, Audit & Risk Committee before it is presented to the Board for action.

The Committee conducts regular discussions with:

- The CEO and Business Manager.
- The external auditor concerning the annual audit and any significant findings, and the adequacy of management's responses.
- May choose to meet with the auditor without management present concerning annual financial statements.
- Management and the external auditor regarding any correspondence with regulators or government agencies and reports that raise issue of material nature.
- External legal bodies regarding any legal matters that may have a material impact on the financial statements and/or our compliance with financial reporting and related regulatory policies.

2. Scope of Authority, Extent of Power & Decision Making Abilities

- The Board is not bound by Committee decisions.
- The Committee should not make any determinations regarding its policy advice and recommendations to the Board without consultation with the CEO.
- The Committee's scope of authority is determined by the Terms of Reference (TOR) as detailed in the Lifeline Mid Coast Board Charter.

3. Membership

- The Board shall appoint a maximum of 4 Board Members to each Committee based on individual skills, insights and expertise.
- The Chair of the Finance, Audit & Risk Committee will be appointed by the Board.
- The Committee may nominate individuals to be co-opted as additional members with suitable expertise to assist it in its work – the Board, in conjunction with the Governance Committee Chair, shall grant approval for all appointment of co-opted members.
- The Chair of the Finance, Audit & Risk Committee is to be an independent director who is not the Chair of the Board.
- The Finance, Audit & Risk Committee is to consist of a majority of independent directors.
- The CEO and/or Business Manager may be appointed to the Committee.

4. Conduct of Meetings

- A quorum of Committee meetings shall be one half of the membership.
- Committee meetings are to declare any actual or perceived conflicts of interest.
- The Committee Chair, in consultation with other Committee members, will determine how conflicts of interest will be addressed.
- The Committee should consult the Board Chair if appropriate regarding conflicts of interest.

5. Frequency of Meetings

- The Finance, Audit & Risk Committee shall meet 10 – 11 times a year or as required.

6. Terms of Access to Internal & External Resources and Management of Information

- The CEO is to arrange for information, reports, advice and comment as required by the Committee in undertaking its role.
- Advice from Management or legal representation as required.
- All Committee papers are to be regarded as confidential documents. Disclosure of documents or third contents to external parties must not occur without Board approval.
- Committee members are expected to be mindful of commercial in confidence, privacy and confidentiality considerations in the exercise of their work.

7. Requirements for Reporting to the Board

- The Committee Chair shall be responsible for the preparation of reports to the Board, in the form of the Committee Minutes.
- The Committee Minutes will include Committee activities, any advice or recommendations for the Board's endorsement or approval.
- The Committee is to provide all Committee Minutes to be entered into the Lifeline Board packets or as required by the Board.
- The Committee must report both majority and minority (or dissenting) views relating to its advice or recommendations.

8. Powers of the Committee Chair

- The Board appoints the Chair of the Committee.
- The Committee Chair shall determine the frequency and method of Committee meetings.
- The Committee Chair shall determine the meeting agendas and the business program for the Committee, in consultation with Committee Members.
- The Committee Chair shall be responsible for the effective conduct of Committee Meetings.

9. Tenure

The Committee is a Standing Board Committee and the Board reviews Committee composition annually.