

Risk and Audit Committee Proposal

As previously indicated to trustees I propose the reinstatement of the Board's Audit and Risk Subcommittee.

The committee would consist of three trustees, chaired by the Deputy Chairperson. As a suggestion the other two trustees would be Derek Wilson and Catherine Rossiter-Stead. Meetings would be held on a quarterly basis.

Suggested terms of reference

1. Constitution

The risk and audit committee shall be a committee of the board established by the board.

2. Objective

The objective of the committee is to assist the board in carrying out its duties in regard to financial reporting and legal compliance.

3. Membership

The committee will have at least three members, and be chaired by the Board's deputy chairperson

4. Secretarial and Meetings

The secretary of the committee shall be appointed by the board.

A quorum of members of the committee shall be two.

The committee may invite management including the chief financial officer, and the external auditors, as it considers necessary to provide appropriate information and explanations.

Reasonable notice of meetings and the business to be conducted shall be given to the members of the committee, all other members of the board and the General Manager.

Meetings shall be held not less than three times a year having regard to the Trust's reporting and audit cycle. Any member of the committee, the General Manager, the or the external auditors may request a meeting at any time if they consider it necessary.

Minutes of all meetings shall be kept.

5. Responsibilities

The responsibilities of the committee are as follows:

- liaison with external auditors;
- review of the annual audit plan with the external auditors;
- assessment of the performance of financial management;
- review of audit findings and the annual financial statements;
- review of accounting policies;
- oversight of compliance with statutory responsibilities relating to financial and other requirements;
- review of the appointment of the external auditors and their fees;
- review of the internal audit policies and procedures;
- ensuring that recommendations highlighted in audit reports are actioned;
- monitoring of risk assessment and the internal controls instituted; and
- supervision of special investigations when requested by the board.

In addition, the committee shall examine any other matters referred to it by the board.

6. Authority

The committee is authorised by the board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees will be directed to co-operate with any request made by the committee.

7. Review of the Committee

The Committee shall undertake an annual self review of its objectives and responsibilities and report to the Board accordingly.

8. Reporting Procedures

The General Manager shall be responsible for drawing to the committee's immediate attention any material matter that relates to the financial condition of the Trust, any material breakdown in internal controls, and any material event of fraud or malpractice.

After each committee meeting the chairman shall report the committee's findings and recommendations to the board.

The minutes of all committee meetings shall be circulated to members of the board, the external auditors and to such other persons as the board directs.

The chairman shall present an annual report to the board summarising the committee's activities during the year and any related significant results and findings.