AUSTRALIAN
DENTAL COUNCIL

Finance, Audit and Risk Monitoring (FARM) Committee Charter

1. Purpose

The purpose of charter to outline the terms of reference for the Finance, Audit and Risk Monitoring Committee of the Australian Dental Council.

2. Overview

The Finance, Audit and Risk Monitoring (FARM) Committee ('the Committee') is a standing Committee of the Australian Dental Council (ADC). The Committee has been established assist the ADC Board ('the Board') in fulfilling its oversight responsibility by monitoring and advising on activities in this charter, including:

- Plans and budgeting, policies and practices and management reports to the Board;
- Risk management, audit activities, compliance and external reports; and
- Investments and financial management.

The Committee is responsible for reporting to the Board on all relevant matters relating to this Charter to enable the Board to take any necessary decisions and/or actions. The Committee may also be required to provide advice to the Board on specific matters that the Board has referred to it for consideration and advice.

3. Scope

This policy applies to all staff and members of the Board of Directors.

4. Objectives

The objectives of the Committee are to:

- assist the ADC to discharge its responsibility to exercise due care, diligence and skill in relation to:
    - finance (including investments),
    - risk,
    - business policies and practices,
    - compliance with applicable laws, regulations, standards and best practice guidelines;
- improve the quality of internal and external reporting of financial and non-financial information;
- provide advice to the Board; and

- foster a culturally safe environment, ensuring that every individual feels respected, valued and supported.

5. Terms of Reference

Membership

The Committee will comprise of three (3) members including:

- Two (2) members with relevant expertise who hold directorship of the ADC.
- An independent member who has expertise in finance, audit and/or risk management.

Where the Board considers that the Committee requires additional expert input, a fourth member may be appointed.

The Chair of the Board will not be the Committee Chair. Members of management, including the Chief Executive Officer (CEO) and the Director, Corporate Services, will not be Committee members, but will be required to attend Committee meetings.

Appointments

Appointments to the Committee are made by the Board of Directors in accordance with the membership requirements, and on recommendation from the People and Culture Committee in consultation with the CEO and Committee Chair. The Board of Directors will appoint the Committee Chair.

Meetings

- The Committee will meet at least two times per annum or as required, face-to-face or virtually.
- The quorum of the Committee is a majority of the members.
- There is a standing invitation for other Board Directors to attend the Committee meetings.
- The Committee will invite members of management, auditors, and any other persons deemed appropriate to attend meetings and provide pertinent information.
- The Committee Chair may devote time in any agenda for the purpose of confidential open discussion with members of the Committee.
- The CEO and Director, Corporate Services shall attend by standing invitation and the Director, Corporate Services will fulfil the role of secretary.
- Meeting agendas will be prepared and provided 1 week in advance to members along with appropriate briefing materials.
- Minutes will be distributed to the Chair within 1 week after the meeting.
- At a subsequent meeting, the minutes should be checked and endorsed by the Committee, and signed by the Chair as an accurate record of the meeting.

Cultural safety commitment

The Committee is committed to embedding cultural safety and advancing a health system free from racism in decision-making. Recognising the impact that cultural safety has on the wellbeing of individuals and communities, the Committee is dedicated to actively contributing to an inclusive and culturally safe environment where every individual feels respected, valued and supported.

Reporting requirements

The minutes of and any relevant document from the Committee meetings are to be included in the agenda of the next available Board meeting, and the Committee Chair will brief the Board on all significant matters discussed at the Committee meetings.

Evaluating effectiveness

The Committee will:

- Evaluate its performance on an annual basis;
- Obtain feedback from the Board on the Committee's effectiveness; and
- Review this Charter every three years and discuss any required changes with the Board and ensure that the Charter is approved or re-approved by the Board.

Conflicts of interest

All Committee members will declare any conflicts of interest when they join the Committee. The Register of Interests for Committees form will be completed and submitted to the secretariat. Any changes will be reported to the secretariat. Conflicts of interest are reported at each Committee meeting.

At the commencement of each meeting the Chair will invite Committee members present to declare any conflict of interest within the agenda.

The absence or declaration of a conflict will be recorded in the minutes of the meeting.

Should a conflict of interest be declared by a Committee member, the Chair will ascertain the nature of the conflict and propose to the meeting that one of the following be carried out when that item is reached on the agenda:

(a) The member will contribute in full to discussion of the item and participate in any vote that may arise;

(b) The member will contribute in full to discussion of the item but refrain from any vote that may arise;

(c) The member will refrain from discussion of the item and from any vote that may arise; or

(d) The member will leave the room for the duration of the agenda item.

Should the other Committee members accept a recommendation from the Chair that a Committee member with a material personal interest be able to vote and be present for the discussion, then a resolution must be made to that effect.

The Chair has final approval of the action to be undertaken and this will be recorded in the minutes of the meeting.

Circulating Resolution

The preferred mode of decision making is in a formal meeting. It is recognised that immediate or urgent action and/or resolution and these matters may be solved via a circulating resolution.

Any circular resolution must have 100% affirmation from all Committee members.

A matter requiring decision may be disseminated to all Committee members with the relevant attached information. This may be disseminated via email or an electronic voting platform.

The resolution must be clear and all Committee Members are required to respond. Following the receipt of Committee Members votes, a confirmation will be forwarded to confirm the resolution to the Committee that will be ratified at the next formal meeting.

Details of the circulating resolution will be minuted at the next formal meeting to formally record and ratify the resolution.

Authority

The Committee will conduct its affairs under the Charter, policies and guidelines approved by the Board.

In discharging its responsibilities under this Charter, the Committee has authority to:

- Seek through the CEO and/or Director, Corporate Services any information it requires from any staff member all of whom are directed to co-operate with the Committee's reasonable requests; and

- Obtain external legal, financial or other professional advice it considers appropriate or necessary in order for it to properly carry out its functions subject to obtaining the prior approval of the Board or the chair of the Board.

Upon receipt of a recommendation or advice from the Committee, the Board may request that the Committee gives further consideration to any relevant matters or takes further action, as the Board specifies.

The Committee has authority to conduct or authorise investigations into any matters within its scope of responsibilities under this Charter. It is empowered to:

- Appoint (subject to obtaining prior approval of the Board), compensate, and oversee the work of any auditor engaged by ADC. Further, it is empowered to oversee the work of any auditor engaged by external parties.
- Resolve any disagreements between management and the auditors.
- Review the findings of the work undertaken by any auditor and ensure that management satisfactorily addresses any shortcomings identified.
- Pre-approve all auditing and non-audit services undertaken by any auditor engaged by ADC.

6. Roles and responsibilities

The Committee's terms of reference are detailed below.

Plans and budgeting, policies and practices and management reports

- Ensure a budget is prepared annually for the ADC and Dental Board of Australia (DBA), reviewing the underlying assumptions and linkages to the strategic plan, making recommendations to the Board;
- Review the adequacy and integrity of management reporting to the Board;
- Review the ADC's policies related to the objectives and make recommendations to the Board;
- Periodically review the organisation's staff and committee delegations and management systems;
- Review the effectiveness of the overall internal control system; and
- Review the annual management representation to the Board on the effectiveness of the internal control framework.

Risk management, audit activities, compliance and external reports

- Monitor the organisation's ability to assess, monitor and manage risks;
- Review the ADC's Risk Management Framework;
- Provide a forum for discussion with senior management on corporate risks and related matters;
- Receive a compliance report annually from an external auditors regarding the ADC's financial operational practices;
- Review the ADC's periodic and annual audited financial statements prior to their submission to the Board;
- Liaise with the ADC's external auditor in relation to the scope, planning and follow up of audits;

Investments and financial management

- Monitor the ADC's finances; and
- Periodically review, at least annually, the Investment Policies

7. Document information

Policy Owner:	CEO
Approved by:	Board of Directors
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*unless otherwise indicated, this policy will continue to apply beyond the review date