

Terms of Reference

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| **Policy Name:** | Finance and Audit Committee | **Policy Number**  |  |
| **Drafted By:** |  | **Amended Date:** | October 2019  |
| **Authorised by:** | BSA Commission  | **Date:** | November 2019  |
|  |  | **Review Date:** |  |

OVERVIEW

The purpose of this document is to provide new members on the committee information pertaining to their duties and responsibilities and assist with the transition into the group. Other supporting documentation will also be provided to assist in the fulfilment of the role.

The Finance and Audit Committee is an advisory committee formally appointed by the Board of the Basketball SA. The Committee’s role is to report to the Commission and provide appropriate advice and recommendations on matters relevant to its Terms of Reference in order to facilitate decision making by the Commission in relation to the discharge of its responsibilities.

BASKETBALL SA VISION

We will:

* Be the sport of choice
* Have a united culture
* Embrace a diverse community

BASKETBALL SA MISSION

To raise the profile of basketball together through the development and promotion of the game.

BASKETBALL SA GOALS

* United culture
* Strong clubs and associations
* Grow BSA family

BASKETBALL SA VALUES

* Inspire- encourage, celebrate, excite
* Connected- inclusive, supportive, united
* Open- integrity, responsible, fair
* Progressive- proactive, innovative, challenging

ORGANISATIONAL CHART

Please refer to appendix A

ROLE OF THE COMMITTEE:

The Committee shall:

• The financial reporting process

• The budget process

• The external audits and assess the need for any internal audit function

• The internal control and risk management systems

FINANCIAL REPORTING

The Committee shall:

* Monitor the integrity of the financial statements of Basketball SA, including reports submitted to the Commission and Members
* Consider the financial statements for the half and full year, including the annual report
* Review and challenge where necessary;
	+ The consistency of and/or any changes to, accounting policies;
	+ Whether Basketball SA has followed appropriate accounting standards and statutory obligations;
	+ All material information presented with the financial statements

THE BUDGET PROCESS

The Committee shall:

* Provide advice in relation to the financial planning, forecasts and budgets including;
	+ Assist with the development of the annual and rolling budgets
	+ Ensuring the annual budget aligns with Basketball SA’s business plans
	+ Investigate and provide commentary on any significant variances against approved budget consider the Executive Management remuneration

EXTERNAL AND INTERNAL AUDITS

The Committee shall:

* Consider and make recommendations to the Commission in relation to the appointment, reappointment and removal of the Basketball SA External Auditor
* Oversee the relationship with the External Auditor including, but not limited to:
	+ Recommending the approval of the External Auditor’s remuneration covering fees for both audit and non-audit services
	+ Recommending the approval of the External Auditor’s terms of engagement, including any engagement letter issued at the commencement of each audit and the scope of the audit
	+ Assessing the External Auditor’s independence and objectivity taking into account relevant professional and regulatory requirements and the extent of any relationship with the auditor, including the provision of any non-audit services
	+ Assessing the External Auditor’s qualifications, expertise and resources and the effectiveness of the audit process
* Meet as needed with the external auditor.
* Review and make recommendations on the annual Audit Plan and in particular its consistency with the scope of the External Audit engagement.
* Review the findings of the audit with the External Auditor. This shall include, but not be limited to, the following;
	+ A discussion of any major issues which arose during the External Audit;
	+ Any accounting and audit judgements; and
	+ Levels of errors identified during the External Audit.
* Reviewing and approving any internal audit activity, its scope and progress including any difficulties or restrictions on scope of activities

INTERNAL CONTROLS AND RISK MANAGEMENT SYSTEMS

The Committee shall:

* Periodically review with management and the Risk and Governance Committee, assess and make recommendations to the Commission on:
	+ The risk management framework for identifying, monitoring and managing significant risks, including fraud
	+ That insurance arrangements are appropriate for the risk management framework, where appropriate
	+ Reviewing effectiveness of agency’s processes for identifying and escalating risks
	+ The adequacy of the internal control structure and systems, including information technology security and control
	+ Whether relevant policies and procedures are in place and up-to-date, including those for the management and exercise of delegations, and whether they are complied with, and
	+ Whether the financial internal controls are operating efficiently, effectively and economically.

AUTHORITY AND INDEPENDENCE

AUTHORITY

The Committee has no executive power, unless delegated by the Commission.

RECOMMENDATIONS

The Committee shall make recommendations to the Commission on any policy changes it deems appropriate on any area within its Terms of Reference where in its view action or improvement is needed.

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COMMUNICATION

Communication by the Committee members to Basketball SA staff or the Commission should be directed through the Chair to the CEO unless direct communication has been approved at a prior Committee or Commission meeting.

MEMBERSHIP

MEMBERS

 The Committee shall consist of the following:

* A Commission Member with the Finance and Audit portfolio
* Two other members, and
* The CEO and Manager Finance

NOMINATION PROCESS

The Committee Members shall be elected from a nomination process conducted annually and will serve for two years.

CHAIR

A Chair and Deputy Chair for the Committee shall be selected from within the group at the first meeting after elections. The Chair will serve for one year. The selection shall occur every year.

MEETINGS

FREQUENCY

The Committee shall hold bi-monthly meetings and the Committee Chair or CEO may call any other such meetings as may be required to conduct the affairs of the Committee.

MEETING DAY AND TIME

The regular meeting shall normally be held within five working days prior to the Commission meeting for that month. The time and place to be set on the agenda.

ATTENDANCE

The Manager Finance shall attend the meetings. The Basketball SA Chair or a delegated Commission Representative may also attend the meetings.

QUORUM

A quorum consists of the Chair (or Acting Chair) and at least two other members.

CONFLICTS OF INTEREST

Committee members will be invited to disclose conflicts of interest at the start of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once they have been acknowledged. Where members are deemed to have a real or perceived conflict of interest, they will be excused from Committee discussions about the issue where a conflict exists

AGENDA

The agenda is to be prepared for meetings, in consultation with the Committee Chair and distributed to the Committee members via email no less than 1 day prior to each scheduled meeting. Any member wishing to add business to the agenda must inform the Committee Chair in due time.

Other business can be raised at the meeting, but it will be at the discretion of the Chair whether it shall be discussed or passed over to the next meeting.

Agenda items may be considered out of session by electronic or other means and should be minuted and provided to the next available formal meeting. Communication of these items should be directed through the Chair to disseminate to Committee members.

SUPPORTING DOCUMENTS

Supporting documents are to be prepared for the meetings and distributed to the Committee members via email no less than 2 days prior to each scheduled meeting.

MINUTES

The minutes of each meeting shall be recorded. The minutes of the meeting shall be distributed to the Committee members and CEO within one week of the date of the meeting.

CONFIRMATION BY THE COMMISSION

The minutes shall be confirmed as a correct record (subject to alteration) at the next meeting and shall be formally adopted thereafter by the Commission.

ACTION

No action will be taken by the Committee until the minutes and the appropriate recommendations have been adopted by the Commission. The Commission will outline to the committee its powers and authority to act, in which case further reference to the Commission will not be required.

CONFIDENTIALITY

The members of the Committee in accepting their role agree to abide by the terms and conditions of the Basketball SA Confidentiality policy, which is attached as an addendum to this document (Appendix B).

CULTURE AND CODE OF CONDUCT

Our goal of being member focused can only be maintained and enhanced with your assistance and, in joining the working group, you share our commitment to providing the best service to our members. For this to be achieved, your ideas, suggestions and initiatives are encouraged as we strive to improve the way we do things.

The members of the Committee in accepting their role agree to Basketball SA’s culture, values and conduct which involves acting with integrity and professionalism, in our dealings with each other and our stakeholders. We are committed to ongoing professional development and to fostering an environment where everyone’s contributions are valued. Our work ethics centre on taking responsibility for decisions, pride in our work, sharing knowledge, and expertise with others, and a willingness to contribute to the resolution of issues in a collaborative manner.

TERMS OF REFERENCE REVIEW

The Committee will conduct a biennial review of Terms of Reference. Recommendations for amendments shall be referred the Commission for consideration.

