

Finance, Audit & Risk Management Committee Charter 2011

WWF-Australia Finance, Audit and Risk Management Committee Charter

Approved by Board 19 August 2011

Foundation

1.1 Preamble

WWF-Australia is a member of the Global WWF network and as such is bound to the Network through a WWF NO Agreement, Licensing Agreement, Network Charter and by WWF-Australia's Constitution.

Effective corporate governance depends on the active and collaborative participation of the following – the Committee, the External Auditors, other Assurance Providers, the Board and Management. Strong and cohesive Board and Board Committees will assist WWF Australia to develop its program and to develop an independent and objective assessment of its ability to impact our external community of stakeholders (including WWF International network & associations, WWF Governors, our Supporters, Sponsors, Program Participants and the Australian Community) in a constructive and positive way on issues of strategic importance to the organisation.

It is the role of the Finance, Audit and Risk Management Committee to assist the Board to provide oversight of WWF-Australia's financial and risk management programs.

1.2 Purpose

The Finance, Audit and Risk Management Committee (the "Committee"), consisting of non-executive Board Directors, supports the Board's oversight responsibilities relating to:

- the financial and business affairs of the Organisation;
- the preparation and integrity of the Organisation's financial accounts and statements;
- internal controls, policies and procedures that the Organisation uses to identify and manage business risks;
- the Organisation's insurance activities;
- the External Auditor's annual audit of the Organisation's financial statements;
- the Organisation's compliance with legal, regulatory requirements and compliance policies;
- fostering integrity and maintaining an ethical culture throughout the Organisation;
- ensuring the Organisation abides by the provisions of the Corporations Act 2001 and relevant taxation, financial reporting and employment statutes.

1.3 Authority

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this charter to:

- perform the activities required to address its responsibilities and make recommendations to the Board;
- resolve any disagreement between Management and the External Auditor, with areas of significant disagreement advised to the Board;
- select, engage and approve fees for any professional advisers that the Committee may require to carry out its duties;
- require the attendance of any Organisation Manager or staff member at meetings as appropriate; and
- have unrestricted access to Management, employees and information it considers relevant to its responsibilities under this Charter.

1.4 Membership

The Committee appointed by the Board, consists only of independent non-executive Board Directors and shall comprise of no less than three (3) Board Directors and no more than five (5) Board Directors.

The Committee Members shall be:

- "financially literate" as defined by the Board, (i.e. able to read and understand financial statements and challenge information presented in Committee meetings);
- at least one Member shall have "accounting or related financial expertise" as defined by the Board; and
- some Members who have an understanding of the industry in which the Organisation operates.

The Board President is an ex-officio member.

The Chief Financial Officer or his/her designate is the Committee Secretary.

1.5 Chairman

The Board appoints the Committee Chairman.

The Committee Chairman must be an independent non-executive Board Director. The Board President cannot be the Chairman of this Committee.

Should the Committee Chairman be absent from a meeting, the Committee Members present must appoint a Chairman for that particular meeting, who should not be the Board President.

The Committee Chairman is responsible for ensuring Committee Members are appropriately inducted

1.6 Meetings

The Committee must meet, physically, at least five (5) times per year. Other meetings may be by teleconference, on an exceptional basis.

Any action required or permitted to be taken at any meeting of the Committee may take place without a meeting, if a majority of Members of the Committee thereto provide a written consent, provided that such written consent is filed with the minutes of the proceedings of the Committee.

The Committee Chairman is responsible for establishing the Committee meeting agenda, in conjunction with the Chief Financial Officer, after seeking any input from other Committee Members and Assurance Providers.

A notice of each meeting, with relevant supporting agenda papers, confirming the date, time and venue is to be forwarded to each Committee Member at least three (3) working days before each meeting, including a weekend. The Committee agenda is to be circulated to all Board Directors at the same time, with the Committee papers available via the Internet.

The Committee Chairman, the Board President, any Committee Member, the Chief Executive Officer, the External Auditor, through the Committee Chairman may call a meeting of the Committee. The Committee Chairman may waive the three (3) working day period, if agreed by a majority of the Committee.

1.7 Meeting Attendance

Any person may be invited by the Committee Chairman to attend meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation shall be issued to:

- Chief Executive Officer;
- Chief Financial Officer; and
- Engagement Partner of the External Audit Firm.

Other Board Directors have a standing invitation.

1.8 Quorum and Voting

A quorum must consist of three (3) Members of the Committee.

The Committee Chairman shall not have a second or casting vote.

1.9 Minutes

The Committee Secretary or delegate must prepare the minutes of the Committee meeting within seven (7) working days. After the Committee Chairman has given preliminary approval, the draft minutes are circulated to all Committee Members and the other Board Directors.

1.10 Reviews

To ensure that the Committee is fulfilling its stewardship duties to the Board and Members, the Committee will:

- Review at least annually the Committee Charter and recommend to the full Board for approval any appropriate amendments;
- Review the annual agenda incorporating any changes in the charter; and
- Conduct an annual assessment of its performance against its Charter duties and responsibilities and report to the Board through the minutes of the meeting.

2. Duties and Responsibilities

In supporting the Board's responsibilities, the duties of the Committee shall be:

2.1 Financial and business affairs

- Review and oversight of the development of the Organisation's budgeting process;
- Monitoring the financial performance against the Board approved budget;
- Oversight and monitoring the Organisation's investments;
- Oversight and monitoring the Organisation's financial reporting system; and
- Review, oversight and monitoring of material capital projects.

2.2 Assessment of financial information

- Review any significant accounting and reporting issues, including professional and regulatory announcements and to understand their effect on the Organisation's financial statements.
- Review the annual financial statements of the Organisation, which require approval of the Board and discussion of the financial statements with the External Auditor and Management before submission to the Board.
- Review, at least annually, the written attestations provided by the Chief Executive Officer and Chief Financial Officer.
- Review, for potential conflicts of interest situations, and pre-approve all related party transactions on an ongoing basis.
- Review the financial information included in the Organisation's annual report prior to release.

2.3 External Auditor

- Review and agree appointment of, the terms of engagement and the audit fees for the External Auditor prior to the commencement of each audit.
- Review the External Auditor's summary management report, detailing the results and significant findings from the audit, and Management responses.
- Review the External Auditor's confirmation of financial advices to appropriate regulatory bodies.
- Review the acceptability of and correct accounting treatment for and disclosure of significant transactions which are not part of the Organisation's normal course of business.
- Resolve any disagreement between Management and the External Auditor in the financial reporting.
- Meet as required with the External Auditor, without Management present.
- Review and oversight of the External Auditor's significant findings and recommendations and Management's proposed responses.
- Review and oversight of policies for the provision of non-audit services by the External Auditor.

2.4 Business Risks and Internal Controls

- Approval of the Organisation's risk management policy and oversee the risk management system and its resourcing.
- Approve and monitor the Organisation's risk profile developed by Management, covering the principal enterprise-wide risks, including strategic, operational, legal, financial and reputational.
- Review the operational effectiveness of the policies and procedures relating to risk and the Organisation's internal control environment.
- Review the effectiveness of the Organisation's insurance activities.

2.5 Compliance

- Obtain regular updates from Management about compliance matters that may have a material impact on the Organisation's financial statements, strategy, operations or reputation.
- Review the effectiveness of the Organisation's approach to achieving compliance with laws, regulations, industry codes and Organisation policies.
- Review any correspondence from regulatory bodies regarding significant issues.
- Ensure that there is a process in place for the Board President and Committee Chairman to be immediately informed of any issue of significant non-compliance or litigation.
- Oversee the process for the receipt, retention and treatment of information received from the internal whistleblower policy and procedures and also from external complainants regarding matters relating to audit, financial statements, internal controls or possible fraud.

2.6 Business Ethics

- Review compliance with the Organisation's values and related behaviours and the code of conduct.

2.7 Other Responsibilities

- Review the effectiveness and level of cooperation between Management and the External Auditor.
- Perform any other duty or undertaking that the Board may request from time to time.

2.8 Reporting

- The Committee Chairman will report to the Board on the Committee meetings regarding all relevant matters and appropriate recommendations in a written report (with supporting material) for noting or approval by the Board.
- The Committee Chairman will ensure that the Board President and the Board are immediately informed of matters that may impact significantly on the financial condition or reputation of the Organisation.

Finance, Audit and Risk Management Committee - Membership Competencies

Competencies
(that the Committee as a group demonstrate- Source KPMG)

Business acumen

Business judgement

Financial literacy (understands balance sheets)
Financial expert (qualifications)
Risk management
Relative industry expertise
Senior management experience
Corporate budgeting & planning
Compliance & regulations
Risk culture