



Audit & Risk Committee Charter

Purpose

The Audit & Risk Committee is a committee of the Royal New Zealand Society for the Prevention of Cruelty to Animals Incorporated (SPCA) Board whose purpose is to assist the Board in discharging its responsibilities with respect to financial reporting, compliance and risk management practices of SPCA.

1. Structure

1.1 Appointment, size, quorum, voting

The Audit & Risk Committee shall be appointed annually by the Board and shall consist of no greater than six members. A quorum shall be a majority of committee members. The Chair of the Board will be an ex officio, voting, member of the Audit & Risk Committee.

The Chief Executive Officer, General Manager Finance & Shared Services and General Manager People & Safety attend each meeting of the Committee in an ex officio capacity.

All members of the Board are entitled to attend meetings.

1.2 Reporting responsibility of Committee Chair

The Chair of the Committee shall report to the Board after each committee meeting on the findings and recommendations of the Committee.

1.3 Reporting requirements

The Committee is to report to the Board all matters relevant to the Committee's role and responsibilities, including:

- Assessment of whether external reporting is consistent with Committee members' information and knowledge and is adequate for stakeholders' needs.
- Assessment of the management processes supporting external reporting.
- Procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners;
- Recommendations for the appointment or removal of the external auditor and the internal auditor (if any).
- Assessment of the performance and independence of the external auditor and whether the Committee is satisfied that independence of this function has been maintained having regard to the provision of non-audit services.
- The results of its review of risk management and internal compliance and control systems.

Document Type:	Board	Version number:	1
Number & Title:	Audit & Risk Committee Charter	Issue date:	June 2019
Document Owner:	National Office Document Control	Date next review:	June 2020

2. Function and Responsibilities

The duties of the Committee are as follows:

2.1 Financial reporting

- 2.1.1. Ensure that appropriate financial reporting and internal control processes are in place and monitor those processes so that the Board is properly and regularly informed and updated on financial matters.
- 2.1.2. Review accounting policies on an annual basis, considering at all times their appropriateness to the Society and their compliance with financial reporting standards.
- 2.1.3. Review the annual financial statements for compliance with appropriate laws and regulations and recommend approval to the Board.
- 2.1.4. Review public documents and disclosures relating to financial information.

2.2 External audit

- 2.2.1. Recommend to the Board the external auditor appointment and remuneration.
- 2.2.2. Liaise with the External Auditor.
- 2.2.3. Review and assess the performance and independence of the External Auditor in respect of audit and non-audit services.
- 2.2.4. Review (but not plan or conduct) the external audit annual audit plan and reports.
- 2.2.5. Review the external audit findings and ensure that recommendations highlighted in audit reports are actioned by management.
- 2.2.6. To meet separately with the External Auditor, and the Internal Auditor where appointed, at least once per year.

2.3 Internal audit

- 2.3.1. Consider the appointment of internal auditors and recommend to the Board, as appropriate, the appointment of an internal auditor.
- 2.3.2. Liaise with the Internal Auditor.
- 2.3.3. Review and assess the performance and independence of the Internal Auditor.

- 2.3.4. Review and approve the internal audit annual audit plan.
- 2.3.5. Review the internal audit findings and ensure that recommendations highlighted in audit reports are actioned by management.
- 2.3.6. To meet separately with the Internal Auditor, where appointed, at least once per year.

2.4 Risk management

- 2.4.1. Approve a Risk Management policy to be applied across all elements of SPCA (for clarity this is inclusive of the Health & Safety risks).
- 2.4.2. In accordance with the Risk Management policy, identify those risks that relate to the elements of SPCA.
- 2.4.3. Undertake annual risk assessment reviews of all elements of SPCA.
- 2.4.4. Ensure appropriate risk management strategies are developed and implemented for all significant risks.

2.5 Health & Safety management

- 2.5.1 Review, monitor and make recommendations to the board on the organisations health and safety risk management framework and policies to ensure that the organisation has clearly set out its commitments to manage health and safety matters effectively.
- 2.5.2 Review and make recommendations for board approval on strategies for achieving health and safety objectives.
- 2.5.3 Review and recommend for board approval targets for health and safety performance and assess performance against those targets.
- 2.5.4 Monitor the organisations compliance with health and safety policies and relevant applicable law.
- 2.5.5 Ensure that the systems used to identify and manage health and safety risks are fit-for-purpose, being effectively implemented, regularly reviewed and continuously improved. This includes ensuring that the board is properly and regularly informed and updated on matters relating to health and safety risks
- 2.5.6 Seek assurance that the organisation is effectively structured to manage health and safety risks, including having competent workers, adequate communication procedures and proper documentation.
- 2.5.7 Review health and safety related incidents and consider appropriate actions to minimise the risk of recurrence
- 2.5.8 Make recommendations to the board regarding the appropriateness of resources available for operating the health and safety management systems and programmes

2.6 Investments

- 2.6.1 Review investment policy (SIPO) annually for relevance and optimisation of investment opportunities with due regard to economic conditions.
- 2.6.2 Review investment performance and compliance with policy quarterly
- 2.6.3 Receive, review and report to the Board quarterly on the investment performance of the organisation

2.7 Other

- 2.7.1 Review in accordance with a policy review schedule all significant audit, risk and finance related internal policies and recommend any changes to the Board.
- 2.7.2 Supervise special investigations when requested by the Board.
- 2.7.3 Examine any other matters referred to the committee by the Board.
- 2.7.4 Assess the performance of the financial management function to ensure fit for purpose.

3. Committee & Meetings

3.1 Authority

The Committee is authorised by the Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires from any employee and all employees shall be directed to cooperate with any request made by the Committee.

The Committee shall have the authority of the Board to obtain legal or other independent professional advice and to secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary; and to disclose information to third parties where lawful, appropriate and relevant.

The Committee shall have no executive powers with regard to findings and recommendations.

3.2 Meetings and Secretarial

The Committee will hold at least four meetings per year, which shall be scheduled to ensure timely review of the interim and year-end financial statements. An annual plan of the matters to be considered at these meetings is to be presented to the Board for approval.

Meetings shall be attended, as required, by the External Auditor, the GM Finance & Shared Services, Chief Executive Officer, GM People, Culture & Safety and others as appropriate, at the discretion and invitation of the Committee. Adequate notice shall be given to those to be invited.

On a regular basis (no less than annually) the Committee shall meet with the External Auditor to discuss any matters that either party believe should be discussed confidentially.

Any Board member may request, through the Chair of the Board that the Committee convene to address any SPCA financial matter that is of serious concern and such member may attend and speak, but will not have a vote.

The Chair of the Committee shall also call a meeting of the Audit & Risk Committee if so requested by any Audit & Risk Committee member or the External or Internal Auditor.

The Board Secretary shall act as Secretary of the Audit & Risk Committee.

The CEO, in conjunction with the Chair, shall draw up the Agenda.

The Agenda and Committee papers shall be distributed to members at least one week prior to each meeting.

A resolution in writing, signed or assented to by at least three members of the Audit & Risk Committee, is as valid and effective as if it had been passed at a meeting of the Audit & Risk Committee duly convened and held. Any such resolution may consist of several documents (including e-mail or other similar means of written communication) in like form, each signed or assented to by one or more members of the Committee.

The Minutes of all Committee meetings, signed by the Chair, shall be available to all Board members, the Chief Executive Officer, the GM Finance & Shared Services, External and Internal Auditors and to other parties as the Board directs.

The Chair of the Committee shall make a report to the Board after each Committee meeting on the findings and recommendations of the Committee.

3.3 Communication with auditors

The Committee shall maintain direct lines of communication with the External and Internal Auditors.

3.4 Review of objectives and Charter

The Committee shall undertake a formal review of its objectives and activities once every year.

The objectives and activities of the Committee shall also be reviewed by the Board, the Chief Executive Officer and by other parties the Board deems appropriate.

All directors shall have unfettered access to the records of the Committee upon request to the Chair of the Committee with notification to the Chairman of the Board.

The Committee shall also review annually the Audit & Risk Committee Charter and recommend any changes to the Board.

The Audit & Risk Committee will conduct an annual performance review of the Committee as a whole, to be completed annually. Individual Committee Member views and the collated views of members of the senior management team will be sought on Committee process, efficiency and effectiveness, and discussed by the Committee as a whole.