



FINANCE AUDIT AND RISK (FAR) COMMITTEE CHARTER

1. Purpose and Role

The Finance Audit and Risk (FAR) Committee (“the Committee”) is a committee established by the Waterski and Wakeboard Australia (WAWA) Board (“the Board”).

The purpose of the Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities by providing oversight and assurance in the key areas of governance, risk management, finance, accounts, internal control, legislative compliance, risk management and external audit.

In executing these responsibilities, the duties of the Committee will include but not be limited to the following:

- The accuracy and correctness of the financial reporting and statutory accounts
- The oversight of the Risk Management framework
- The effectiveness of systems of internal control
- The scope of work and independence of the External Auditor
- Processes for monitoring compliance with laws and regulations
- Other matters specifically delegated to it by the Board

2. Specific Responsibilities

a) *The accuracy and correctness of the financial reports and statutory accounts*

The FAR Committee will:

- Ensure the WAWA Financial management including statutory accounts to determine that they have been prepared in accordance with the relevant Australian Standards
- Pay particular attention to complex transactions or transactions with potential for significant financial impact
- Review the key areas of revenue recognition, valuation of assets and liabilities including environmental liabilities and other commitments and contingencies
- Discuss and review significant movements in the financial statutory accounts from the previous financial year
- Meet with management and the External Auditor to review the financial statutory accounts and the results of their audit
- Ensure that any significant adjustments, unadjusted differences and critical accounting policies and practices have been discussed with the External Auditor
- Obtain the relevant representations from management as to the preparation of the financial reports and statutory accounts
- Recommend to the Board the approval of the financial statutory accounts



b) The oversight of the Risk Management framework

The FAR Committee will:

- Review and endorse the Risk Management Framework
- Ensure risks have been identified, assessed, reviewed and regularly updated as set out in the Risk management framework
- Review the effectiveness and timeliness of risk management strategies and actions to mitigate the identified business risks
- Review the Organisation risk profile report prior to Board submission.

c) The effectiveness of systems of internal control

The FAR Committee will:

- Review key governance elements including policy and procedure framework and the Delegations of Authority
- Review IT policies and procedures to ensure that information technology operates in a secure environment and that there is effective control over data and information
- Examine policies and procedures that protect the organisation from misappropriation and other fraudulent practices
- Review, for potential conflicts of interest situations, and pre-approve all related party transactions on an on-going basis.
- Review the effectiveness of insurance activities.

d) The scope of work and independence of the External Auditor

The FAR Committee will:

- Review the External Auditor's proposed audit scope and audit approach for the current year taking into account changes in circumstances and regulatory and other requirements
- Review and discuss significant findings and recommendations made by the External Auditor
- Monitor the status of management actions relating to the agreed recommendations at each meeting
- Review all responses to representation letters required to be produced by management and ensure that the information provided is complete and appropriate
- Enquire into any audit problems or difficulties encountered in the normal course of audit work including any restriction on audit scope or access to information
- Meet regularly with the external auditor, without management present.



e) Process for monitoring compliance with laws and regulations

The FAR Committee will:

- Review the framework for monitoring compliance with laws and regulations
- Follow up on areas of non-compliance with laws and regulations, including legal disputes and claims that may have a material impact on operations
- Review the findings and recommendations of any compliance reviews undertaken by external bodies or government agencies
- Monitor developments and changes to significant rules, regulations and laws which relate to business operations, including those relating to the responsibilities and liabilities of Directors
- Review OHS compliance and performance reports in relation to OHS management

f) Other Matters

- Report any matter identified during the course of carrying out its duties that the Committee considers should be brought to the attention of the Board
- Perform or undertake on behalf of the Board any such other tasks or actions as the Board may from time to time authorise

FAR OPERATING GUIDELINES

1. Membership

- The Committee will be comprised of three members appointed to the Committee by the Board
- The Chair of the Board (in consultation with the Board) will select the Chair of the Committee who will be a Board Director but will not be the Chair of the Board of Directors
- The Committee Chair will manage the Committee and its meetings, set its agenda and work plan including specifying the information requirements from management
- The Board may appoint additional persons to the Committee who possesses relevant skills to enhance the decision-making capabilities of the Committee
- At least one member of the Committee must have appropriate qualifications in accounting or auditing and have relevant employment experience in an accounting profession with financial oversight responsibilities
- The Board will review the Committee membership annually
- All Board Members are welcome to attend any Committee meeting as non-voting attendees
- The Chief Executive Officer will not be a member of the Committee but will be invited to attend
- The Chair is an ex-officio members of the Committee
- The Committee may co-opt individuals with particular skills to render assistance as required



2. Powers and Authority

The Board authorises the Committee, in this document to:

- Perform activities within its Charter, seek any information it requires internally and externally, and obtain legal or other professional advice to assist in undertaking its oversight responsibilities

3. Operations

- For any resolution of the Committee to be carried, it must be supported by a simple majority of those Members present and voting. A Member has the right to abstain from voting on any resolution
- The Chair has the casting vote should it be required
- The Committee will meet at least quarterly, with special meetings held as required
- A quorum will consist of two Members

4. Agenda and Minutes

- Meeting documentation including the agenda, minutes of the previous meeting and other relevant documents will be distributed to the Committee Members and attendees one week prior to the meeting
- An annual program will be prepared outlining the key dates of each meeting and significant matters to be discussed
- The proceedings of all meetings will be minuted to reflect the work done by the Committee and these minutes will be provided to the Board at its next meeting

5. Performance

- The Committee will conduct an annual review of this Charter and the Committee's own performance and provide recommendations to the Board for consideration.