

OFFICIAL



Alpine Resorts
Victoria

Finance, Risk & Audit Committee Charter

2024-2027



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Role

The Finance, Risk and Audit Committee (FRAC) is a subcommittee of the Alpine Resorts Victoria (ARV) Board (the Board), a Public Non-financial Corporation (PNFC) established pursuant to section 34 of the Alpine Resorts (Management) Act 1997 (the Act).

The FRAC is established by the Board in accordance with the Financial Management Act 1994 (FMA) Standing Direction 3.2.1.

Objectives and Scope

The FRAC will encourage the development of the highest standards of probity and ethical behaviour in everything ARV does. The Board has established the FRAC to independently review and assess the effectiveness of ARV's systems and controls for financial management, performance and sustainability, including risk management.

Audit – External

- a) Maintain effective communication with external auditors (including the Auditor General and the Auditor-General's duly appointed agents and representatives), including by:
 - i. understanding the external audit strategy and internal audit activities;
 - ii. considering the external auditor's views on any issues, including accounting issues that may impact on the financial statements, financial management compliance issues and other relevant risks impacting ARV's finances;
 - iii. considering external audit outcomes, including financial and performance audits;
 - iv. providing a standing invitation to the external auditor to attend FRAC meetings; and
 - v. meeting privately at least once each year to ensure frank and open communication.
- b) Consider recommendations made by external auditors relating to or impacting on financial management, performance and sustainability and the actions to be taken by ARV to resolve issues raised.
- c) Regularly review implementation of actions in response to external audits, including remedial actions to mitigate future instances of noncompliance.



Audit - Internal

- a) Oversee the internal audit function including to:
 - i. review and approve the internal audit charter;
 - ii. review and approve the strategic internal audit plan prepared under Direction 3.2.2.2(b);
 - iii. review and approve the annual audit work program prepared under Direction 3.2.2.2(c);
 - iv. review the effectiveness and efficiency of the function;
 - v. advise the Board on the appointment and performance of the internal auditors; and
 - vi. meet privately with internal auditors if necessary.
- b) Consider recommendations made by external auditors relating to or impacting on financial management, performance and sustainability and the actions to be taken by ARV to resolve issues raised.
- c) Regularly review implementation of actions in response to external audits, including remedial actions to mitigate future instances of noncompliance.

Financial Management

- a) Review annual financial statements and make a recommendation to the Board as to whether to authorise the statements before they are released to Parliament.
- b) Review information in the report of operations on financial management, performance and sustainability before it is released to Parliament.
- c) Review the annual assessment of compliance with all requirements of the FMA, Standing Directions and Instructions performed under Direction 5.1.2(b).
- d) Review the annual attestation made in accordance with Direction 5.1.4 in relation to compliance with the applicable requirements of the FMA, Standing Direction and Instructions, including disclosure of material compliance deficiencies.
- e) Review and monitor remedial actions taken to address Compliance Deficiencies.
- f) Monitor and review ARV's financial governance, including but not limited to financial reporting frameworks, financial controls, delegations register, financial code of practice, financial policies, procedures, protocols, practices and processes and counter-fraud policy and measures.
- g) Provide oversight of ARV's financial accounts and reports, financial performance and sustainability, monitoring alignment with financial parameters and strategies and advising the Board of actual or potential financial risks to the enterprise.
- h) Review the draft annual budget (operating, capital and cash flow) to ensure alignment with the ARV's Corporate Plan and financial strategies and that the process is transparent.
- i) On behalf of the Board, empower the Chief Executive Officer to execute agreements valued between \$501k and \$999k subject to appropriate adherence to ARV's Procurement Policy.
- j) On behalf of the Board, review and approve policies that relate to ARV's Finance and broader Corporate Services functions.



Risk management

- a) Monitor the effectiveness of ARV policies, procedures, processes and practices to managing risk and complying with laws, regulations and accounting standards.
- b) Monitor ARV's risk exposure and provide assurance that risk is properly controlled, mitigated and treated through the Risk Management Framework and risk management systems and plans.
- c) Verify the Board's attestation of compliance against the Victorian Government Risk Management Framework per Standing Direction 3.7.1.
- d) Establish protocols for the escalation of risk from management to the Board.
- e) Review insurance coverage and provide assurance on the appropriateness of coverage in place.
- f) Review arrangements by which any interested party may, in confidence, raise concerns about possible improprieties in financial or other matters.
- g) Monitor any discovered or potential instance of fraud, theft, loss, financial misdemeanor or similar risk and obtaining assurance that satisfactory management action has been taken.
- h) Review and monitor related party transactions to determine whether the systems of control, including declarations of interest systems, are adequate.
- i) Review and advise on ARV's process for assessing and improving the effectiveness of its audit and risk assessment functions.

Membership

The FRAC must:

- a) be constituted by members with appropriate skills and experience to discharge the FRAC's responsibilities, with at least one member having appropriate expertise in financial accounting or auditing;
- b) exercise independent judgement and be objective in its deliberations, decisions and advice;
- c) be comprised of independent Board members, with:
 - i. at least three Board appointed members, and;
 - ii. a Board appointed member as Chair (this must not be the Chair of the Board);
- d) not include the following persons as members:
 - i. CEO;
 - ii. CFO; or
 - iii. the internal auditors.

All ARV Board members who are not a member of the FRAC are invited to attend by standing invitation to observe the FRAC meeting in a non-voting capacity.



Additional persons who may commonly be invited to attend but are not members of the FRAC include:

- Chief Executive Officer
- Chief Financial Officer
- General Manager Corporate Services
- internal auditor
- external auditor

These people may take part in the business of, and discussions at, the meeting but do not hold voting rights.

Independent members

An independent person is one who is independent of the management of the ARV, and

- within the last 3 years has not been employed in an executive capacity by the ARV or a related organisation or been a director after ceasing to hold such employment or a principal of a material professional advisor or a material consultant to the ARV or related organisation, or an employee materially associated with the service provider; and
- is not a major supplier or customer of the ARV or a related organisation, or an officer or otherwise directly associated with a material supplier or customer; and
- has no material contractual relationship with the ARV or a related organisation; and
- is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the member's ability to act in the best interest of the ARV.

Appropriate skills and experience

FRAC members must have the ability to read and understand financial statements, including the income statement, balance sheet, and cash flow statements. This should also include an understanding of the following, where ARV is subject to:

- Generally accepted accounting principles (GAAP);
- Financial Reporting Directions;
- Budget memoranda; and
- Resource Management Framework published by Department of Treasury and Finance.

Term of appointment

- Members will be appointed for a minimum of one year and must continue to be a Board member for the duration of their term.
- Should a member cease to be a Board member at any time during their term of appointment, the termination of appointment will coincide with the date of cessation on the Board.
- The Board will review the FRAC membership and shall appoint or re-appoint the chair of the FRAC annually.
- New members will receive relevant information and briefings on their appointment to assist them to meet their FRAC responsibilities.



Quorum

A quorum for meetings shall be more than 50% of members.

Meetings and minutes

- The FRAC should meet at least quarterly.
- ARV will provide appropriate administrative support to the FRAC including the recording of the minutes.
- Minutes of each meeting shall be presented on the next Board Agenda by the FRAC Chair.
- Subject to this Charter and any directions by the Board, the FRAC may regulate its meetings and proceedings as its members see fit.
- Where possible, FRAC meetings will be held online via Teams or through other approved means such as teleconferencing or video conferencing.
- The FRAC may elect to hold in camera meetings as required (without management present).
- The FRAC may undertake its duties out of session via email.
- The internal or external auditors may request a meeting and such a request is to be met.

Governance

The FRAC reports to the Board and must:

- a) have a charter approved by the Board and reviewed and re-approved by the Board at least once every three years.
- b) Self-assess its performance annually and report this assessment to the Board.
- c) have access to the CEO, CFO, internal auditors and external auditor in carrying out its responsibilities.
- d) have direct access to the auditors without management present.

Authority

- In accordance with section 34 of the Act, the FRAC is an advisory subcommittee and makes recommendation to the Board except where, pursuant to section 35(1)(a) and 35(2)(b) of the Act, the Board has delegated by instrument any of its functions or powers to a subcommittee appointed under section 34.
- The FRAC is authorised to seek independent, professional advice as it considers necessary.
- In discussion with the Chairperson of the Board, the FRAC has the authority to request information it requires from the Board or any ARV employee.
- FRAC members are responsible for ensuring the efficient and effective operation of the FRAC and with support from the Board, for taking appropriate steps to ensure they have the requisite knowledge and training to undertake their role.

Conflicts of interest

- a) FRAC members will disclose conflicts of interest at the commencement of each meeting.



- b) Where there is debate amongst members around a potential conflict, the Chair of the FRAC will make the final determination as to whether a conflict exists.
- c) Where members or invitees are deemed to have an actual, potential or perceived conflict of interest, they will be excused from the meeting in a manner consistent with ARV's Conflict of Interest policy.





Alpine Resorts Victoria

Approved by the Board: 6 Sept 2024

Review date: 31 Aug 2027