

TERMS OF REFERENCE – COMPLIANCE, AUDIT, AND FINANCE (CARF) COMMITTEE

1 BACKGROUND

1.1 The CARF Committee is a committee of the RWNZ Board.

2 OBJECTIVES

2.1 The objective of the CARF Committee is to assist the RWNZ Board in discharging its responsibilities relative to financial reporting, investment management, compliance and risk management. All of these matters are part of the overall responsibility of the RWNZ Board. The CARF Committee cannot relieve the RWNZ Board of its responsibilities.

3 MEMBERSHIP

3.1 The CARF Committee shall comprise members of the RWNZ Board.

3.1 The number of members shall not be less than two. One of those members will be the National Finance Chair.

3.3 The National Finance Chair will be the Chairman of the CARF Committee unless it is agreed unanimously by the CARF Committee members that another RWNZ Board member should be chairman.

3.4 The Chairman of the RWNZ Board shall not be the Chairman of the CARF Committee.

3.5 If not members, the National President and/or Chair may attend meetings of the CARF Committee ex officio.

3.6 The CEO will attend all meetings of the CARF Committee as required.

3.7 Representatives from external third party organisations may be invited to attend meetings of the CARF Committee at the request of the Chairman.

4 QUORUM AND MEETINGS

4.1 A quorum of members shall be two.

4.2 Meetings shall be held on a monthly basis and will be held in advance of the bi-monthly RWNZ Board meetings. All meetings shall include risk on the agenda. At least three of the meetings shall include audit on the agenda.

4.3 Within this meeting cycle, the CARF Committee will meet with the external auditors at least once a year without management being in attendance.

4.4 Any member of the committee, or the CEO, or the external auditors may request a meeting at any time, should they consider it necessary. The CARF Chairman will make the final decision in respect of any such requests.

- 4.5 Minutes of all meetings shall be kept and distributed to all RWNZ Board members and any other parties as deemed necessary by the CARF Committee.

5 RESPONSIBILITIES

- 5.1 The responsibilities of the Compliance, Audit, Risk and Finance (CARF) Committee are as follows:
- 5.1.1 Assessment of the performance of financial and investment management.
 - 5.1.2 Review of the monthly and YTD financial performance of the organisation.
 - 5.1.3 Bi-Monthly review of the investment portfolio.
 - 5.1.4 Oversight of compliance with statutory responsibilities relating to financial investment and risk management requirements.
 - 5.1.5 Review of the adequacy and quality of the organisation's investment policy.
 - 5.1.6 Recommending to the RWNZ Board appointments of external investment advisors.
 - 5.1.7 To advise the RWNZ Board on the relevance of the current associated policies and update as required. The policy review should be carried out on an annual basis unless changes to the operating environment require that action is taken during the 12th month reporting period.
 - 5.1.8 Review of the annual budget.
 - 5.1.9 Liaison with the external auditors and investment advisors.
 - 5.1.10 Review of annual 'audit timeline' with the external auditors.
 - 5.1.11 Review of audit findings and the annual financial statements.
 - 5.1.12 Review of accounting policies.
 - 5.1.13 Review of internal controls and risk assessment.
 - 5.1.14 Supervision of special investigations when requested by the RWNZ Board.
 - 5.1.15 Ensure that there are effective policies covering such matters as treasury, procurement and whistle blowing.
 - 5.1.16 To consider such other matters that may be referred to it by the RWNZ Board.

6 DELEGATED AUTHORITY

- 6.1 The CARF Committee may appoint third parties to provide information or advice such as it considers necessary for carrying out its responsibilities.
- 6.2 The CARF Committee will communicate all decisions and communicate on any matters relating to issues discussed at meetings to the RWNZ Board.

7 REPORTING PROCEDURES

- 7.1 The CARF Committee shall have direct access to the external auditors, the CEO and staff
- 7.2 The CEO shall be responsible for drawing to the CARF Committee's immediate attention any material matter that relates to the financial state of the organisation, any material breakdown in internal controls and any incident of fraud or malpractice.
- 7.3 The CARF Committee shall be provided with copies of all letters between the external auditors and management.

- 7.4 After each CARF meeting the Chairman will report the CARF Committee's recommendations and findings to the Board. 7.1 The CARF Committee shall have direct access to the external auditors, the CEO and staff
- 7.5 The minutes of all CARF Committee meetings will be circulated to all RWNZ Board members and other parties as deemed necessary by the CARF Committee or the Board.
- 7.6 The CARF Committee will report to the RWNZ Board at each meeting of the RWNZ Board in respect of the overall financial performance and trends and will highlight to the Board any issues or concerns they may have in respect of the financial performance.
- 7.7 A report on the CARF Committee's activities will be included within the Annual Report.

8 POLICY REVIEW RESPONSIBILITY

- 8.1 Some of the policies listed below may be superseded; others may need to be developed in the first instance.
- 8.2 Suggested Policies – both existing and expected to be required – that may be the responsibility of the CARF Committee are detailed in Appendix A.

Approved by the Board on 13/2/17

Office ref: 250 Terms of Reference for Compliance, Audit, Risk and Finance Committee

(MJM 12/2018)

**APPENDIX A TO THE TERMS OF REFERENCE - COMPLIANCE, AUDIT, RISK AND FINANCE
(CARF) COMMITTEE**

Policies whose review is the responsibility of the CARF Committee

- 1 Capital Expenditure
- 2 Community Fund Grant
- 3 Cyber Security (Policies)
- 4 Board Expenses
- 5 Organisation credit card (or may be the responsibility of the CEO under delegated authority)
- 6 Risk Management
- 7 Procurement Policy
- 8 Investment Policy
- 9 Theft and Fraud Prevention Policy
- 10 Financial Conditions Policy
- 11 Asset Protection Policy
- 12 Sponsorship