



Audit & Risk Committee

Terms of Reference

1) Introduction

The Board of Netball WA Inc (NWA) has established an Audit & Risk Committee to assist it with the management of financial and non-financial risk of NWA. The Board of NWA intends the Audit & Risk Committee to assist Glass Jar Australia Ltd (GJA) and the Board of GJA (GJA Board) and West Coast Fever Ltd (WCF) and the Board of WCF (WCF Board) in the same manner.

2) Purpose

The Audit & Risk Committee (the **Committee**) appointed by the NWA Board assists the Board in fulfilling its oversight responsibilities relating to the:

- 2.1. preparation and integrity of NWA, GJA and WCF financial statements;
- 2.2. internal controls, policies and procedures that NWA, GJA and WCF uses to identify and manage business risks;
- 2.3. NWA, GJA and WCF insurance activities;
- 2.4. qualifications, independence, engagement, fees and performance of the NWA, GJA and WCF External Auditor;
- 2.5. External Auditor's annual audit of NWA's financial statements;
- 2.6. NWA, GJA and WCF compliance with legal, regulatory requirements and compliance policies.

The existence of the Committee does not imply the fragmentation or diminution of the role of the NWA Board to ensure the integrity of financial reporting or risk management processes.

3) Authority

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

- 3.1. perform the activities required to address its responsibilities and make recommendations to the Board;
- 3.2. resolve any disagreement between Management and the External Auditor, with areas of significant disagreement advised to the Board;
- 3.3. select, engage, and approve fees for any professional advisers that the Committee may require to carry out its duties;
- 3.4. require the attendance of any NWA manager or staff member at meetings as appropriate; and

3.5. have unrestricted access to management, employees and information it considers relevant to its responsibilities under this charter.

4) Membership

The NWA Board will appoint the members of the Committee and the Chair of the Committee. The Committee shall comprise at least four (4) committee members and may include:

- 4.1. at least two (2) members of the NWA Board with four (4) Board member positions available. The third Board position can be filled by a member of either NWA's Board or of either subsidiary GJA or WCF;
- 4.2. up to two (2) additional members at the discretion of the NWA Board who:
 - 4.2.1. are independent of NWA and its Subsidiaries, the NWA Board, GJA Board and WCF Board; and
 - 4.2.2. the Board determines the skills, expertise or experience that are of benefit to the Committee, having regard to the Committee's purposes and responsibilities.
- 4.3. the NWA Group CEO (GCEO) is not a member of the Committee but will attend in a non-voting capacity;
- 4.4. the NWA President and Chairs of GJA and WCF may be members of the Committee but must not be the Chair. At least one member of the Committee must be a qualified accountant or other finance professional with significant relevant finance and/or accounting expertise. At least one member of the Committee must have significant relevant understanding of the business of NWA, WCF and GJA;
- 4.5. secretariate support will be provided by a NWA Staff member, recommended by the NWA GCEO and approved by the NWA Board;
- 4.6. Members may be appointed for a term of between one and six years, as determined by the NWA Board in line with organisational needs. Members may be reappointed, provided their total tenure does not exceed the maximum NWA Director term of six years;
- 4.7. the Chair may invite other members of management or external parties (as appropriate) to attend all or part of any Committee meeting; and
- 4.8. the NWA Board may, in its discretion, remove members of the Committee from time to time.

5) Chairperson

Following consultation with the Directors, the Board Chairperson proposes the Committee Chairperson for approval by the NWA Board. An Independent Director cannot be Chairperson of the Committee.

The Committee Chairperson must not be the Chairperson of the Board.

6) Meetings

6.1. Quorums & Voting

- 6.1.1. A quorum of any Committee meeting will be three (3) voting members of whom at least one must be a member of the NWA Board or its subsidiaries WCF or GJA. A duly convened meeting of the Committee at which a quorum is present shall be sufficient to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Committee. In the absence of the Chair, the remaining members of the Committee will elect one of their number as Chair of the meeting (subject to a quorum otherwise being present).
- 6.1.2. Each member will have one vote. The Chair of the Committee shall have a casting vote if required.
- 6.1.3. Meetings may be held and resolutions passed by means of a conference call or similar communications equipment, or any other technology or process by means of which NWA Board

meetings may be held and resolutions passed under the provisions of the NWA Rules of Association and the Associations Incorporations Act 2015.

- 6.1.4. Any person may be invited by the Committee Chairperson to attend meetings of the Committee, but not necessarily for the full duration of the meeting.

6.2. Frequency

- 6.2.1. The Committee will meet a minimum of four (4) times per year and more frequently if required, as determined by the Chair.

6.3. Schedule of Meetings

- 6.3.1. The Chair is required to call a meeting of the Committee upon all reasonable requests by either a Committee member, the GCEO, the President of the NWA Board, Chairs of Subsidiaries, GJA or WCF, or the external auditors.
- 6.3.2. The agenda (approved by the Chair) and supporting documentation should be delivered to the Committee members, where possible, at least seven (7) days before the scheduled meeting.
- 6.3.3. Proceedings of all meetings will be minuted and ratified by members in attendance and signed by the Committee's Chair.
- 6.3.4. The Committee shall meet at least annually with the external auditors to discuss any matters the Committee considers relevant to the purpose of the Committee.
- 6.3.5. The external auditors may convene a meeting by making a request to the Chair.

6.4. Conflicts of Interest

6.4.1. Committee Member Conflicts:

- a) Where an actual, potential, or perceived conflict of interest arises from a member(s) discharging Committee duties, declaration of the conflict must be made immediately to the Chair, reviewed at each Committee meeting and minuted.
- b) The Chair, in consultation with the remainder of the Committee members shall determine the appropriate course of action to resolve or minimise the impact of the conflict.
- c) Clause 10 (Conflicts of Interest) of the NWA Board Charter and subsidiary's Charters applies to Committee members in the same manner as it does to NWA, WCF and GJA Boards.

6.4.2. Conflicts between NWA and GJA, and NWA and WCF matters:

- a) Where the Committee identifies a conflict on a matter between the interests of NWA and GJA or NWA and WCF, the Committee may proceed to advise or assist NWA on the matter, and must notify the GJA Board or WCF Board that the Committee is unable to advise or assist GJA or WCF due to a conflict of interest, but must not disclose to GJA or WCF the nature or details of the conflict.

6.5. Reporting

- 6.5.1. Minutes of each Committee meeting will be tabled at the next meeting of the NWA & GJA Board, unless there are privacy and confidentiality reasons that prevent disclosure beyond the members of the Committee.
- 6.5.2. The Committee Chairperson will ensure that the Board Chairperson and the Board are immediately informed of matters that may impact significantly on the financial condition or reputation of the Organisation.

- 6.5.3. The Committee will work and liaise as necessary with the Boards of WCF and GJA and other Committees.

7) Duties & Responsibilities

In assisting the NWA Board in fulfilling their responsibilities, the duties of the Committee shall be:

7.1. Assessment of financial information

- 7.1.1. Review any significant accounting and reporting issues, including professional and regulatory announcements and to understand their effect on the organisation's financial statements.
- 7.1.2. Review the annual financial statements of the organisations which require approval of the Board and discussion of the financial statements with the External Auditor and management before submission to the NWA Board.
- 7.1.3. Review, at least annually, the written attestations provided by the GCEO and Chief Operating Officer (COO).
- 7.1.4. Review and recommend for Board approval the annual operating and capital budgets to ensure they are aligned with the organisation's strategic objectives, financial sustainability, and risk appetite.
- 7.1.5. Review and consider material budget reforecasts and recommend approval to the Board where required, with particular attention to significant variances, underlying assumptions, and financial implications.
- 7.1.6. Review, for potential conflicts of interest situations, all related party transactions on an on-going basis.

7.2. External Auditor

- 7.2.1. Recommend to the Board the appointment, evaluation and dismissal of the External Auditor, including independence matters.
- 7.2.2. Review and approve the External Auditor's proposed audit plan and audit approach, including materiality levels.
- 7.2.3. Review and agree on the terms of engagement and the audit fees for the External Auditor prior to the commencement of each audit.
- 7.2.4. Review the External Auditor's summary management report, detailing the results and significant findings from the audit, and management responses.
- 7.2.5. Monitor progress made by management in improving internal controls arising from the recommendations made by the external auditors.
- 7.2.6. Meet with the external auditors, in the absence of management, to hear the views of the auditors on financial management and internal controls (where necessary).
- 7.2.7. Review the performance and independence of the external auditors on a regular basis, including the effectiveness of the audit process. Ensure the external audit engagement is periodically reviewed and subject to a competitive tender process in line with good governance practices to maintain audit quality, independence, and market competitiveness.
- 7.2.8. Assess the independence of the external auditors (including the monitoring of the employment of former employees of the external auditor) and advise the NWA Board and subsidiary Board on any statements required to be included in NWA's / WCF's / GJA's Annual report as to:
 - a) Whether the provision of non-audit services during the year by the auditor (or by another person or firm on the auditor's behalf) is compatible with the general standard of independence for auditors imposed by the Associations Incorporation Act/ Corporations Act; and

- b) The reason for being satisfied (or not satisfied, as the case may be) that the provision of those non-audit services did not compromise the auditor independence requirements of the Associations Incorporation Act/Corporations Act

7.3. Business Risks and Internal Controls

- 7.3.1. Assist the NWA Board to set the risk appetite within which management is expected to operate, and where there are emerging risks or changes to the compliance, operating or commercial environment, make recommendation to the Board if amendment to the risk appetite is required.
- 7.3.2. Ensure that a suitable risk management framework is implemented across NWA and regularly monitor NWA Management's performance against the risk management framework.
- 7.3.3. Review the risk management framework at least annually to satisfy itself that the framework is sound and remains relevant to the current context in which NWA operates.
- 7.3.4. Request and review reports from Management to remain informed about the adequacy of NWA's risk management process.
- 7.3.5. Remain informed about any emerging risks or material changes to existing risks that may impact NWA, and report to the Board about the nature of the threat or opportunity the risk presents, including recommendations for action.
- 7.3.6. Review any material incident involving fraud or a failure of NWA's risk controls, to satisfy itself that risk treatments derived from lessons learned are adequate to prevent reoccurrence.

7.4. Compliance

- 7.4.1. Review the effectiveness of NWA, GJA and WCF approach to achieving compliance with laws, regulations, industry codes and organisation policies, as they relate to finance and risk.
- 7.4.2. Review any correspondence from regulatory bodies regarding significant issues.
- 7.4.3. Ensure that there is a process for the NWA Board Chairperson and Committee Chairperson to be immediately informed of any issues of significant non-compliance or litigation, when implemented.
- 7.4.4. Obtain regular updates from management regarding compliance matters.

7.5. General

- 7.5.1. Review NWA's and its subsidiaries' insurances at least annually, having regard to NWA's and its subsidiaries' business and the insurable risks associated with NWA's business and its subsidiaries.
- 7.5.2. Receive and review the declarations made by the GCEO in relation to financial reports (including as required by the relevant section of the Associations Incorporations Act/ Corporations Act).
- 7.5.3. Assist the GCEO to facilitate the identification and management of all significant areas of financial risk to the satisfaction of both the Audit & Risk Committee and NWA Board and its subsidiaries in an integrated way.
- 7.5.4. Undertake any matters referred to the Committee by the Board.
- 7.5.5. Review and update the organisation's strategic financial and risk related policies.

7.6. Glass Jar Australia Ltd

- 7.6.1. Undertake any of the matters and responsibilities in Section 7 specifically as they apply to GJA and the GJA Board, as determined by the Committee in consultation with GJA.

7.7. West Coast Fever Netball Club Ltd

- 7.7.1. Undertake any of the matters and responsibilities in Section 7 specifically as they apply to WCF and the WCF Board, as determined by the Committee in consultation with WCF.

8) Review

8.1. Review of Performance

To determine whether it is functioning effectively, the Committee will evaluate its own performance on an annual basis. This will include an assessment of the extent to which the Committee has discharged its responsibilities as set out in this Terms of Reference. The results of this review will be reported to the NWA Board.

8.2. Review of Terms of Reference

The Committee will review these Terms of Reference every two (2) years, or otherwise as it considers necessary. The Committee shall discuss any required changes with the NWA Board and ensure that the Terms of Reference is approved by a resolution of the NWA Board.

Annexure A

Audit and Risk Committee Annual Agenda

	SCHEDULED MEETINGS			
Structure and Skills				
Review Audit & Risk Committee Charter and annual agenda	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assess Committee’s independence, financial literacy, skills and experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Establish number of meetings for forthcoming year	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Committee Chairperson to establish meeting agenda and required attendees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Enhance financial literacy- update on current financial events	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Perform an evaluation assessment on the Committee’s and individual Member’s performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Assessment of Financial Information				
Review significant accounting and reporting issues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review financial matters affecting the year end	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and approve annual financial statements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review attestations of the GCEO and COO for Australian reporting standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review with Management its evaluation of the Organisation’s internal control structure and procedures for financial reporting, including any significant deficiencies or material weaknesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and discuss any reports submitted by the External Auditor detailing any instances of fraud or possible illegal acts on the part of Senior Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review process, policies and procedures for continuous disclosure obligations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review conflicts of interest and related party transactions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
External Auditors				
Recommend appointment and review performance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review audit plan and scope of audit work and any changes thereto	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Approve audit fees and terms of engagement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consider policy in relation to non-audit services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and pre-approve non-audit services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Consider objectively the independence of the External Auditor, including obtaining written confirmation of their independence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the External Auditor’s report and findings and progress on Management actions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

	SCHEDULED MEETINGS			
Discuss any significant changes in accounting standards	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss appropriateness of accounting policies, estimates and judgments	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss the External Auditors' view on control environment, including fraud risk management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Resolve any disagreement between Management and the External Auditor in the financial reporting and report any significant issues to the Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Discuss issues with the External Auditor in the absence of Management	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review report from the External Auditor on quality control procedures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review the External Auditor's process for rotation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Risk and Internal Controls				
Recommend the approval of the risk management policy to the Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review and monitor business risks and internal controls and report to the Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ensure executive remuneration risk and controls are linked to the overall risk profile	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review relevant Strategic Policies relating to finance and risk	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review insurance activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Review Investment performance to ensure alignment with Investment Policy and risk appetite	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Reporting				
Maintain minutes and report to the Board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>