



## AFL MASTERS FINANCE, AUDIT, INTEGRITY AND RISK (FAIR) COMMITTEE CHARTER

Effective 16 September 2024

### **Effective from**

16 September 2024

### **Applicable to**

This Finance, Audit, Integrity and Risk Committee Charter is applicable to all Members of the AFL Masters (AFLM) Finance, Audit, Integrity and Risk Committee.

### **Purpose of the Finance, Audit, Integrity and Risk Committee Charter**

The purpose of this charter is to clearly define the respective roles, responsibilities, and authorities of the National Board's Finance, Audit and Risk sub-committee. Although each charter will be different, this template is indicative of matters that may be included but should not be seen as required or exhaustive.

### **Purpose of the Finance, Audit, Integrity and Risk Committee**

The Finance, Audit, Integrity and Risk Committee (the Committee) appointed by the AFL Masters National Board assists the National Board in fulfilling its oversight responsibilities relating to the:

- preparation and integrity of AFL Masters' annual budget, financial accounts and statements
- review of the organisation's budget and quarterly financial performance or as otherwise required
- review of business cases outside of approved budget
- internal controls, policies and procedures that AFL Masters uses to identify and manage business risks
- AFL Masters' insurance activities
- qualifications, independence, engagement, fees, and performance of AFL Masters' external auditor
- External auditor's annual audit of AFL Masters' financial statements
- AFL Masters' 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 National Board to ensure the integrity of AFL Masters' financial reporting.

### **Authority**

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

- perform the activities required to address its responsibilities and make recommendations to the National Board
- resolve any disagreement between management and the external auditor, with areas of significant disagreement advised to the National Board

- select, engage, and approve fees for any professional advisers that the Committee may require to carry out its duties
- require the attendance of any of AFL Masters' manager or staff members at meetings as appropriate; and
- have unrestricted access to management, employees and information it considers relevant to its responsibilities under this charter.

#### **Membership of the Finance, Audit, Integrity and Risk Committee**

The Committee appointed by the National Board shall comprise at least three Members. The Committee Members shall be:

- “financially literate” as defined by the National Board (i.e. able to read and understand financial statements and challenge information presented in Committee meetings); and
- have at least one external and independent Member who shall be a Certified Practicing Accountant or Chartered Accountant.

Committee member rotation is encouraged. The Company Secretary or their designate is the Committee Secretary.

#### **Chairperson of the Finance, Audit, Integrity and Risk Committee**

Following consultation with the National Board Members, the National Board Chairperson proposes the Committee Chairperson for approval by the National Board.

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

Should the Committee Chairperson be absent from a meeting, the Committee Members present must appoint a Chairperson for that particular meeting, who should not be the Chairperson of the National Board.

#### **Education**

The AFLM National Board is responsible for providing new Committee members with an appropriate induction program and ongoing educational opportunities.

#### **Meetings**

The Committee must meet at least two (2) times per year and participants may attend by video conference (including Skype and Microsoft Teams) and/or teleconference.

The Committee Chairperson, any Committee Member or the Committee Secretary may call a meeting of the Committee.

#### **Meeting Attendance**

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. A standing invitation shall be issued to:

- National General Manager
- Engagement Partners of the External Audit Firm

#### **Quorum and Voting**

A quorum must consist of two members of the Committee.

The Committee Chairperson shall not have a second or casting vote.

## **Minutes**

The Committee Secretary or delegate must prepare the minutes of the Committee within seven (7) working days. After the Committee Chairperson has given preliminary approval, the draft minutes are circulated to all Committee members and the other AFLM National Board Members.

## **Duties and Responsibilities**

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

### a) Assessment of financial information

- Conduct or authorise investigations into any matters within its scope of responsibility, including retention of independent external advisors as it considers necessary.
- Review any significant accounting and reporting issues, including professional and regulatory announcements and to understand their effect on AFL Masters' financial statements.
- Review the annual financial statements of AFL Masters' which require approval of the National Board and discussion of the financial statements with the External Auditor and management before submission to the National Board.
- Review, at least annually, the written attestations provided by the CEO and CFO/Finance Manager.
- Review, for potential conflicts of interest situations, and pre-approve all related party transactions on an on-going basis.

### b) External Auditor

- Recommend to the National Board the appointment, evaluation, and dismissal of the external auditor, including independence matters.
- Review and approve the external auditor's proposed audit plan and audit approach, including materiality levels.
- Review and agree on the terms of engagement and the audit fees for the external auditor prior to the commencement of each audit.
- Review the external auditor's summary management report, detailing the results and significant findings from the audit, and management responses.
- Meet regularly with the external auditor, without management present.

### c) Business Risks and Internal Controls

- Recommend the approval of AFL Masters' risk management policy to the National Board and oversee the risk management system and its resourcing.
- Recommend to the National Board and monitor AFL Masters' risk profile developed by management, covering the principal enterprise-wide risks, including strategic, operational, legal and financial.
- Review the operational effectiveness of the policies and procedures to risk and AFL Masters' internal control environment.
- Review the effectiveness of AFL Masters' insurance activities.

### d) Compliance

- Review the effectiveness of AFL Masters' approach to achieving compliance with laws, regulations, industry codes and AFL Masters' policies.
- Review any correspondence from regulatory bodies regarding significant issues.

- Ensure that there is a process for the National Board Chairperson and Committee Chairperson to be immediately informed of any issues of significant non-compliance or litigation; when implemented.

e) Oversight of Integrity & Personal Conduct Risks, Policies and Compliance

- Review the status of AFL Masters' compliance with relevant laws, regulations, and internal or external policies and procedures.
- Review compliance with AFL Community rules and regulations.
- Recommend internal policies and procedures to the National Board and Management in order to facilitate achievement of the AFL Masters' compliance objectives.
- Ensure that an appropriate education regime is put in place for the National Board, management, other employees, volunteers and officials of AFL Masters to assist them to understand their obligations.
- Review with appropriate experts (including Advisory Group Members) current and emerging issues in relation to medical, law enforcement, legal and general issues which could affect AFL Masters and its employees.
- Obtain input from the AFL Integrity and Security Department on current and emerging issues which the AFL regards as high risk.
- Review any material correspondence from regulatory bodies regarding substantial issues.
- The areas to be considered by the Committee each year shall be determined by the Chair (or by resolution of the Committee) and may include, but will not be limited to, the following:
  - Anti-Doping Code, Illicit Drugs Policy and Medical
    - Oversee AFL Masters' compliance with medical protocols, the AFL's anti-doping code and illicit drugs policy and other rules and regulations relating to medical matters.
    - Review policies and procedures and associated compliance with regard to specific AFL rules, including but not limited to the AFL's Treatment Rules (including Prohibited and Controlled Treatments; no needles policy; maintenance of substance and treatment registers and safe storage).
  - Gambling Regulations
    - Oversee AFL Masters' compliance with the AFL's Anti-Corruption and Gambling Regulations, including policies and procedures and associated education programs.
  - Personal Conduct
    - Oversee AFL Masters' systems to ensure compliance with its key policies and code of conduct, including education and awareness programs and policies and procedures associated with:
      - Racial and religious vilification
      - Respect and responsibility
      - Responsible use of alcohol
      - Any other policy or procedure as deemed necessary
    - Review the handling by staff and volunteers of incidents and non-compliance.

f) Background Checks and Induction Procedures

- Review practices and procedures vetting new personnel in relation to integrity, which may relevant police, working with children and other background checks.
- Review induction and/or training practices and procedures for new personnel.

g) Whistleblower Access

- Report on any whistleblower reports received by any member of the Committee or through other designated reporting channels.

- Ensure that staff or volunteers have the capability to raise, directly with the Committee Chair (and other individuals nominated by the Committee), any issues or concerns regarding integrity within AFL Masters.
- The General Manager will ensure that staff are aware of their ability and responsibility to raise any issues or concerns with the Committee or other appropriate individuals and will ensure that relevant contact details are readily available.
- Monitor the promotion of awareness of the AFL's whistle-blower channels to staff.

#### h) Reporting

- The Committee Chairperson will report to the National Board on the Committee meetings regarding all relevant matters and appropriate recommendations in a written report (with supporting material) for noting or approval by the National Board.
- The Committee Chairperson will ensure that the National Board Chairperson and the National Board are immediately informed of matters that may impact significantly on the financial condition or reputation of AFL Masters.

#### **Suggested Finance, Audit, Integrity and Risk Committee Annual Agenda**

|  | <b>Start</b> | <b>Mid</b> | <b>End</b> |
|--|--------------|------------|------------|
| <b>Structure and skills</b>  |              |            |            |
| Review Audit and Risk Committee charter and Annual Agenda  | ✓            |            |            |
| Assess Committee's independence, financial literacy, skills and experience   | ✓            |            |            |
| Establish number of meetings for forthcoming year  | ✓            |            |            |
| Committee Chairperson to establish meeting agenda and required attendees   | ✓            | ✓          | ✓          |
| Enhance financial literacy - update on current financial events  | ✓            | ✓          | ✓          |
| Perform an evaluation assessment on the Committee's and individual Member's performance  |              |            | ✓          |
| <b>Assessment of financial information</b>   |              |            |            |
| Review significant accounting and reporting issues   | ✓            |            | ✓          |
| Review financial matters affecting the year end  |              |            | ✓          |
| Review and approve annual financial statements   |              |            | ✓          |
| Review attestations of the GM for Australian reporting standards   |              |            | ✓          |
| Review with Management its evaluation of AFL Masters' internal control structure and procedures for financial reporting, including any significant deficiencies or material weaknesses |              |            | ✓          |
| 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                            |              |            | ✓          |
| Review process, policies and procedures for continuous disclosure obligations  |              |            |            |
| Review conflicts of interest and related party transactions  | ✓            | ✓          | ✓          |
| <b>External Auditors</b>   |              |            |            |
| Recommend appointment and review performance   |              |            | ✓          |
| Review audit plan and scope of audit work and any changes thereto  |              |            | ✓          |
| Approve audit fees and terms of engagement   |              |            | ✓          |
| Consider policy in relation to non-audit services  |              |            | ✓          |

|   |   |   |   |
|---|---|---|---|
| Review and pre-approve non-audit services   |   |   | ✓ |
| Consider objectively the independence of the External Auditor, including obtaining written confirmation of their independence                           |   |   | ✓ |
| Review the External Auditor's report and findings and progress on Management actions  |   |   | ✓ |
| Discuss any significant changes in accounting standards   |   |   | ✓ |
| Discuss appropriateness of accounting policies, estimates and judgments   |   |   | ✓ |
| Discuss the External Auditors' view on control environment, including fraud risk management   |   |   | ✓ |
| Resolve any disagreement between Management and the External Auditor in the financial reporting and report any significant issues to the National Board |   |   | ✓ |
| Discuss issues with the External Auditor in the absence of Management   |   |   | ✓ |
| Review report from the External Auditor on quality control procedures   |   |   | ✓ |
| Review the External Auditor's process for rotation  |   |   | ✓ |
| <b>Business Risk and Internal Controls</b>  |   |   |   |
| Recommend the approval of the risk management policy to the National Board  | ✓ |   |   |
| Review and monitor business risks and internal controls and report to the National Board  | ✓ |   | ✓ |
| Ensure executive remuneration risk and controls are linked to the overall risk profile  | ✓ |   |   |
| Review insurance activities   | ✓ |   |   |
| <b>Integrity and Compliance Oversight</b>   |   |   |   |
| Oversight of Integrity & Personal Conduct Risks, Policies & Compliance  | ✓ | ✓ | ✓ |
| Background Checks and Induction Procedures  | ✓ |   |   |
| Whistleblower Access  | ✓ | ✓ | ✓ |
| <b>Reporting</b>  |   |   |   |
| Maintain minutes and report to the National Board   | ✓ | ✓ | ✓ |

### **Review of Finance, Audit, Integrity and Risk Committee Charter**

The Finance, Audit, Integrity and Risk Committee will annually review this Committee Charter and recommend to the AFLM National Board for approval any appropriate amendments.

Revised 16 September 2024