

## FINANCE AUDIT AND RISK COMMITTEE (FARC)

### Establishment and Status and Accountability

The Finance and Audit Committee is accountable to the Board of the Auckland PHO and is established by its Governance Policy and Constitution. It is a standing committee of the Board with ongoing responsibilities and will make non-binding recommendations to the Board and/or be delegated specific decision-making authority.

### Purpose

The purpose of the FARC Committee is to be responsible for providing direction and oversight to assist the Board to discharge its financial reporting and regularity responsibilities.

Maintain effective internal audit and internal control systems.

### Responsibilities

The FARC Committee's responsibilities are to:

Provide direction and oversight in regard to the Board's audit activities, this includes:-

- (a) receiving reports of the external auditor and monitoring their work against agreed audit engagement;
  - (b) reporting issues arising for financial audits to the Board and provide advice to the Board on appropriate actions regarding those issues;
  - (c) monitoring the progress made by management implementing recommendations arising from the audit reports.
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- i. Review assess and advise on the Board's risk management processes with particular emphasis on the financial and commercial aspects of the Board's activities and the processes used to identify risks and to develop and report against mitigation strategies;
  - ii. Review and advise the Board on its approval of the Board's annual financial statements and disclosures;
  - iii. Provide input and advice on the preparation of the Strategic and Annual Plan. This will include reviewing the parameters/assumptions used for developing the PHO Annual Business Plan and the process used to compile and agree the annual budget.
  - iv. Develop a Finance Policy Manual
  - v. Review and advise the Board on finance related policies and procedures that require Board approval, including delegations;
  - vi. Provide advice to the Board on the Board's processes for routine monitoring by the Board of the Organisation's financial performance;
  - vii. Undertake post implementation reviews for major projects and acquisitions
  - viii. Carry out other monitoring responsibilities that may be delegated to it by the Board.

**Committee Membership**

**Full membership to include up to 4 members**

- i. Chair (other than the Chair of the Board);
- ii. 1 other Board Member, nominated by Board Members;
- iii. GP/Practice Nurse member, nominated by Board;

**Advisory Members**

- iv. CEO
- v. PHO Accountant;
- vi. Business Services Manager

FARC may co-opt additional members as required in an advisory and liaison capacity

**Chair**

The Chair of FARC shall be elected by the Board

**Decision Making**

All decisions shall be made by consensus in the first instance and vote if needed.

**Confidentiality**

Committee members will treat as confidential all information and documents received in their capacity as FARC members

**Meetings**

The committee will meet at least eight times per year.

**Committee Support**

The CEO will ensure the FARC meetings provided with management and administrative support.

**Remuneration**

This will be made in accordance with the approved Directors & Reference Group Remuneration Policy.

**Quorum**

Quorum shall be a half of the number of committee members, plus one.

**Review**

The terms of reference will be reviewed every 3 years.

Committee membership will be reviewed prior to the AGM with a view to succession planning.

**Length of Term**

The length of term will be determined by FARC with a recommendation on the term made to the Board.

**Reporting**

Minutes of all meetings shall be included in the papers for the next Board Meeting and shall be reported upon at that Board meeting

**Supporting Documentation**

Finance Policy Manual

Document	Finance, Audit and Risk TOR	Version	2.1
Policy Area	Finance	Last Updated	May 2011
Date Board Approved	27.05.08	Next Review date	May 2014