

2A(i) FINANCE & AUDIT COMMITTEE

1. Introduction

This annexure describes arrangements specific to the Finance & Audit Committee (FACC) and should be read in conjunction with the Standing Committee Charter above.

The FACC is established to support Surf Life Saving New South Wales (SLS NSW) and its controlled entity, Surf Life Saving Services (SLSS), Board of Directors' oversight responsibilities related to the financial affairs of the Company; taxation matters, accounting and reporting (including the external audit); internal controls and processes relating to financial, taxation, fundraising, accounting and reporting matters.

The FACC monitors the processes which are undertaken by the senior management and the auditors for SLS NSW and SLSS. The FACC shall assist the Board(s) to abide by the relevant financial provisions of the Corporations Act 2001, the Australian Charities and Not-for-profit Commission (ACNC) obligations, fundraising regulations and taxation regulations.

The functions of the FACC do not relieve the boards(s) of any of their responsibility under law.

2. Composition

The FACC comprises seven (7) members, at least:

- a. Two (2) SLSNSW Directors, one of whom shall be appointed Chair
- b. one (1) SLSS Director
- c. Four (4) independent members who do not otherwise sit on the SLSNSW or SLSS Board or SLSNSW State Council.
- d. The CEO and CFO as ex-officio members

The independent members should be independent of management, free of any relationship which might impair the exercise of their independent judgment and possessed of the financial skills and business acumen which will allow them to be effective in their role.

The following specific skills are required of all FACC nominees:

- Be "advanced financially literate" (i.e. able to read and understand financial statements and challenge information presented in FACC meetings).
- Have the following expertise:
 - accounting or related financial expertise
 - financial regulatory expertise
 - financial investment expertise

- financial risk expertise.
- Have an understanding of the industry in which the Company operates.

Diversity amongst FACC members will be considered by the Board of SLSNSW in making appointments.

3. Tenure

The Board of SLSNSW shall make all appointments and replacements of FACC members.

The independent members will be appointed for a three (3) year term to a maximum of six (6) consecutive years. At the adoption of this Charter two members will be appointed for a three (3) year term, one member for a two (2) year term and one member for a one (1) year term. Years served prior to these respective appointments will not count towards consecutive years of tenure.

Members may be removed by the SLSNSW Board at any time or may resign by written notice to the Board of SLS NSW.

4. Board Delegated Powers and Limitations

The FACC may initiate a special investigation as it sees fit or as directed by either the SLSNSW or SLSS Board in relation to areas within its role and responsibilities.

5. Access to independent advice

Audit representatives and other independent experts may attend meetings by invitation.

The FACC may obtain independent professional advice to assist in the proper exercise of its role and responsibilities, with the cost to be borne by SLSNSW or SLSS subject to board approval.

6. Meetings

The FACC is to meet at least six times a year.

Two of these meetings shall be standalone meetings for the budget(s) review and financial statement(s) review. The other meetings are timed to review quarterly financial reports.

7. Specific Duties

The specific duties of this committee are to:

- a. Financial and business affairs
 - i. Review and oversight of the development of SLSNSW and SLSS budgeting process
 - ii. Monitoring the financial performance against Board approved budgets
 - iii. Oversight and monitoring the SLSNSW and SLSS investments (including land holdings)
 - iv. Oversight and monitoring the SLSNSW and SLSS financial reporting system(s); and
 - v. Review, oversight and monitoring of material capital projects.

- b. Annual audit and integrity of the financial statements
 - i. Review the appointment of, the terms of engagement and the audit fees for the External Auditor prior to the commencement of the audit.
 - ii. Review the External Auditor's management report, detailing the results and significant findings from the audit, and Management responses.

- iii. Review the acceptability of and correct accounting treatment for and disclosure of significant transactions which are not part of the SLSNSW and SLSS normal course of business.
- iv. Assist in the resolution of any disagreement between Management and the External Auditor in the financial reporting.
- v. Meet as required with the External Auditor, without Management present.
- vi. Review and oversight of policies for the provision of non-audit services by the External Auditor.
- vii. Review any significant accounting and reporting issues, including professional and regulatory announcements and to understand their effect on the SLSNSW and SLSS financial statements.
- viii. Review the annual financial statements of the SLSNSW and SLSS, which require approval of the Board and discussion of the financial statements with the External Auditor and Management before submission to the Board.
- ix. Review the written attestations (Directors declaration) provided by the President and Director of Finance.
- x. Review, for potential conflicts of interest situations, and pre-approve all related party transactions on an ongoing basis.
- xi. Review the financial information included in the SLS NSW and SLSS annual reports prior to release.

c. Compliance

- i. Obtain regular updates from Senior Management about compliance matters that may have a material impact on the SLSNSW and SLSS financial statements.
- ii. Review the effectiveness of the SLSNSW and SLSS approach to achieving compliance with fundraising, grants, laws, regulations, industry codes and SLSNSW and SLSS policies.
- iii. Review any correspondence from regulatory bodies regarding significant financial or fundraising issues.
- iv. Ensure that there is a process in place for the Board President and FACC Chairperson to be immediately informed of any issue of significant non-compliance or litigation.
- v. Oversee the process for the receipt, retention and treatment of information received from the internal whistleblower policy and procedures and also from external complainants regarding matters relating to audit, financial statements, internal controls or possible fraud.

d. Reporting

- i. The FACC Chairperson will report to the Boards on the FACC meetings regarding relevant matters and appropriate recommendations for noting or approval by the respective Board.
- ii. The FACC Chairperson will ensure that the Board President(s) are immediately informed of matters that may impact significantly on the financial condition or reputation of SLSNSW and SLSS.