

## Terms of Reference:

### Governance, Audit & Risk Committee

*Effective Date: 01 December 2020*

#### Purpose:

To enhance the leadership, governance and operational functioning of the Board and Society.

Governance is underpinned by:

- **Accountability:** The clarity of roles and responsibilities throughout the Society: (Position descriptions, key performance indicators, skills assessments)
- **Transparency:** Openness and clarity in internal and external reporting.
- **Integrity:** How decisions are made, the values the Society adheres to and its culture.
- **Stewardship:** How the Society is 'steered' or guided to achieve long-term sustainability.

(Notwithstanding the establishment of this Committee it is the primary responsibility of Directors to participate in the governance and policy making process and implementation thereof ).

The purpose of this Committee is to advise and monitor.

#### Responsibility:

##### *1 - Nominations Committee*

Review the activity of the Nomination Committee every two years.

##### *2 - Whistle Blower Policy*

Violations or suspected violations of law or policy or reports of retaliation may be reported directly to:

- the Chairman of the Governance and Risk Committee, or
- the Chairman of the Audit Committee, or
- the Company Secretary, or
- the President.

The allegation will be investigated by the Chairman and members of the Governance Committee.

##### *3 - Reports to the Board*

The Committee must:

- report the outcome of any investigation,
- annually recommend an approach for risk governance with emphasis on risks pertaining to:
  - the achievement of objectives,
  - dependency on resources,
  - risk responses,
  - business continuity and
  - culture of the organization.
- Annually report the frequency of the Committee's meetings and the attendance thereof.

#### *4 - Review and Advise on Society Policies and Statutory Documents*

The Committee shall review at least every two years review the policies of the Society. The Company Secretary will submit any amendment to, or new policy approved by the Board to the Committee.

As no code or policy can anticipate every situation that may arise directors may bring questions or concerns to the attention of the Chair of the Committee.

#### *5 - Review of Operations and Operations Committee Effectiveness*

The Operations Committee shall:

- at least on an annual basis evaluate systems for integration, business resilience, cyber security, social media risks, third-party and outsourced provider risks, value delivered from technology investments and projects, disposal of obsolete technology and information. They will report the outcome of this evaluation to the Governance Committee who will determine that technology systems are used ethically, responsibly and in compliance with all application laws and regulations,
- report to the Board and Governance Committee on any policy violations,

The Executive Officer is responsible for keeping accurate and secure records which are stored in an appropriate medium and must annually report to the Governance Committee the methods and resources applied.

The Committee will review the appointment of the Executive Officer with emphasis on the contract, remuneration, skills and qualifications.

#### *6 - Review of Working Committee and Board Performance*

The Committee will receive and review performance reports relating to board and working committees.

#### *7 – Review of Audit*

The Committee will provide independent oversight of the integrity of the annual financial statements and other external reports with emphasis on:

- any statutory issues,
- significant financial statement matters and how these were addressed,
- the quality of the external audit,
- the effectiveness of design and implementation of internal financial controls,
- the effectiveness of the treasurer and finance function,
- the effectiveness of any insurance policies.

#### *8 – Review of the Company Secretary*

(The Company Secretary will recuse himself from these discussions).

The Committee will evaluate annually the performance and independence of the Company Secretary and submit a report to the Board.

#### **Board Member and Staffed Office Assistance**

Directors and staff must make themselves available to the Committee for assistance on request.

## Third Party Assistance

The Chairman of the Governance Committee may request the assistance of outside counsel or other outside parties as he deems necessary.

## Attendance at Board and Other Meetings

Members of the Committee may attend any Board or other meeting at which the governance issues which have been raised by the Committee are discussed.

## Removal or Recusal of Committee Members:

In the event that a governance or policy violation concerns a member of the Committee, the member should recuse himself and the Board of Directors shall select a replacement officer to conduct the investigation by a vote requiring a two thirds majority of directors who are not the subject of the investigation. In the event that the member refuses to recuse himself, the Board may by the same method remove the member from the Committee for the duration of the investigation.

## Committee Members

The Committee must be comprised of at least three members who will serve a term of no longer than six years.

Staff of the executive office or sitting board members may serve on the Committee, provided that the majority of members are independent. I.e.

- No sitting board members or individuals who have been board members in the prior four years,
- No executive office staff or individuals who have served in the staffed office in the prior four years,
- No staff of the Society's appointed auditor or individuals who have been employed by the current or prior appointed auditor in the prior four years.

Members of the Committee must be Regular Members of the Institute in good standing with at least ten years of work experience. Notwithstanding this requirement, the Board may elect in certain circumstances to waive this requirement.

It is recommended that Committee members have served in their regular employment in a risk or governance role.

The Chair:

- The Company Secretary will serve on the Committee but may not chair the Committee.
- Subsequent to the approval of Committee Members by the Board, the Committee will select a Chair amongst themselves and notify the Board.
- No non-independent member Committee may serve as the Chair.
- The position of Chair will be rotated every two years.

## Frequency and Conduct of Meetings:

The Committee must meet at least twice annually.

Minutes of the meetings must be kept and submitted for storage on the Society's governance portal.

A simple majority of members of the committee will constitute a quorum.

### Members:

- Comminos, Nicola
- Cremen, Caroline (Company Secretary)
- Gubb, Nicola
- Silverman, Glenn

### Budget:

No budget has been allocated to the **Governance Committee** for FY20. Budget may be requested from the board, with written motivation. Members may be reimbursed for reasonable expenses subject to the Society's expense procedure.