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COMMUNITY HOUSING

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Risk Management Subcommittee

This document outlines the Terms of Reference and membership for the Risk Management Subcommittee, a subcommittee of the Servants Community Housing (SCH) Committee.

Purpose

To assist the SCH to discharge its responsibilities for:

- the robustness of the internal control framework, management and governance practices;
- the integrity and appropriateness of internal and external reporting and accountability arrangements;
- the robustness of risk management systems, process and practices;
- the independence and adequacy of internal and external audit functions;
- the compliance with applicable laws, regulations, standards and best practice guidelines; and
- the establishment and maintenance of controls to safeguard the SCH's financial and non-financial assets.

Terms of reference

Internal Structures and Reporting

Internal Control Framework

Review whether:

- Management's approach to maintaining an effective internal control framework is sound and effective.
- Management has taken steps to embed a culture that is committed to probity and ethical behaviour.
- There are appropriate processes or systems in place to capture and effectively investigate dishonesty.

Internal Report

- Consider the processes for ensuring the completeness and quality of financial and operational information being provided to SCH including the rigour around financial assumptions and forecasts.
- Seek advice periodically from auditors regarding the completeness and quality of financial and operational information that is provided to SCH.

Risk Management

- Review whether management has in place a current and comprehensive risk management framework and associated procedures for effective identification and management of the SCH's significant risks.
- Consider whether appropriate action is being taken by management to mitigate SCH's significant risks.
- Ensure that management is kept apprised of the SCH's regulators and governance bodies' views on uncontrolled risk.

Chief Executive's Performance Review

- The members of the Risk Management Subcommittee will provide oversight of the process for assessing the Chief Executive's Performance to the Servants Community Housing Committee. This review will take place once each year or upon any change to the process of evaluating the performance system.

External Reporting and Compliance

External Reporting and Accountability

- Consider the appropriateness of the SCH's existing accounting policies and principles and any proposed changes.
- Enquire of external auditors for any information that affects the quality and clarity of the SCH's financial statements, and assess whether appropriate action has been taken by management.
- Satisfy itself that the financial statements are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal control, and recommend signing of the financial statements by the Chief Executive and adoption by SCH.

External Audit

- Confirm the terms of the appointment and engagement, including the nature and scope of the audit, timetable and fees, with the external auditor.
- Receive the external audit report(s) and review action to be taken by management on significant issues and audit recommendations raised within.
- Conduct a members-only session with external audit to discuss any matters that the auditors wish to bring to the Subcommittee's attention and/or any issues of independence.

Compliance with Legislation, Standards and Best Practice Guidelines

- Review the effectiveness of the system for monitoring the SCH's compliance with laws (including governance legislation, regulations and associated

government policies), with SCH's own standards, and Best Practice Guidelines.

Delegated authority

The Risk Management Subcommittee has been delegated authority by the SCH Committee to carry out activities within its terms of reference

Frequency of meetings

Subcommittee to meet at least quarterly

Membership

- SCH President or Vice President (Chair)
- SCH Treasurer
- At least two other member of the SCH committee.

The following also attend meetings but do not have voting rights.

- SCH CEO
- SCH Operations manager

Quorum is two voting members. Members are expected to attend either in person or through other approved means such as teleconferencing. Each member is expected to be financially literate and must advise the chair where they do not have sufficient understanding to vote on a recommendation. Proxy attendees are not permitted. Other attendees with relevant expertise may be invited at the discretion of the chairperson. They are not members of the subcommittee.

Revision history:
February 2014 Initial Version 2.1 – Warren Clark
March 2015. Revised membership - Warren Clark