

Auckland War Memorial Museum

Audit and Risk Committee Charter

Purpose

The purpose of the Audit and Risk Committee is to assist the Trust Board in discharging its responsibilities with respect to financial reporting, audit, compliance and risk management practices of the Museum.

Composition

- ▶ The Audit and Risk Committee shall be appointed annually by the Trust Board and shall consist of up to five Trust Board members, including the Trust Board Chair;
- ▶ The Chair and Deputy shall be elected annually by the Trust Board and shall not be the Trust Board Chair;
- ▶ All members of the Trust Board are entitled to attend meetings of the Audit and Risk Committee but only members of the Committee shall have voting rights;
- ▶ A majority of the members of the committee shall be financially literate, demonstrate a good understanding of risk, and at least one member shall have an accounting or financial background;
- ▶ The Committee shall have the power to co-opt up to two (2) persons as members, provided that any such co-opted appointments are endorsed by the Trust Board. Co-opted members do not have voting rights and shall be appointed on an annual basis; a quorum of the Audit and Risk Committee shall be a majority of members, one of whom shall be the Chair or Deputy Chair. The quorum shall be made up of Trust Board members only.

Authority

- ▶ The Committee is authorised by the Trust Board to investigate any activity covered by its functions and responsibilities. It is authorised to seek any information it requires to complete the activity requested.
- ▶ The Committee shall have the authority of the Trust Board to obtain legal or other independent professional advice, and to secure the attendance at meetings of third parties with the relevant experience and expertise if it considers this necessary; and
- ▶ The Committee shall have no executive powers other than those bestowed by the Trust Board.

Responsibilities

The responsibilities of the Committee are as follows:

Financial Reporting

- ▶ Require appropriate financial reporting and internal control processes are in place and monitor those processes so that the Trust Board is properly and regularly informed and updated on financial matters;

- ▶ Review accounting policies on an annual basis, considering at all times their appropriateness to the Museum;
- ▶ Review the annual financial statements and associated disclosures for compliance with appropriate financial reporting standards, laws and regulations and recommend approval to the Trust Board; and
- ▶ Review public documents and disclosures relating to financial information.

External Audit

- ▶ Recommend to the Trust Board the appointment and termination of the external auditor in accordance with the Auckland War Memorial Museum Act and the Trust Board's Governance Policy;
- ▶ Consider the independence of the external auditors and any potential conflicts of interest.
- ▶ Review of the external auditors' terms of engagement and audit engagement fees and recommend approval to the Trust Board;
- ▶ Review the external auditors' proposed audit scope and emphasis of the annual external audit plan.
- ▶ Discuss with the external auditor the appropriateness of the accounting policies applied in the financial reports;
- ▶ Review the external audit findings and ensure that agreed recommendations highlighted in audit reports are actioned by management;
- ▶ To meet privately with the External Auditor at least once per year to discuss any matters that the committee or auditors believe should be discussed. E.g. audit problems encountered, restrictions in scope or access to information;
- ▶ Review and assess annually the performance and independence of the External Auditor in respect of audit and non-audit services; and
- ▶ Review policies for the provision of non-audit services by the external auditor.

Internal Audit

- ▶ Consider the appointment of internal auditors and recommend to the Trust Board, as appropriate, the appointment of an internal auditor;
- ▶ Review and approve the internal audit annual plan;
- ▶ Review the internal audit findings and ensure that recommendations highlighted in audit reports are actioned by management;
- ▶ To meet separately with the Internal Auditor, where appointed, at least once per year; and
- ▶ Review and assess the performance and independence of the Internal Auditor.

Risk Management

- ▶ The Chief Executive and the Audit and Risk Committee work collaboratively to review and manage risk across the organisation.
- ▶ Review annually, in collaboration with the Chief Executive, the Museum's Risk Management policy,
- ▶ Review annually the Museum's insurance policies and renewal terms.

- ▶ Review the Strategic Risk Register as prepared by management at each meeting of the committee;
- ▶ Consider, as appropriate, additional risks that relate to the elements of the Museum and recommend that these be included within the Strategic Risk Register;
- ▶ Ensure appropriate risk management strategies are developed and implemented for those risks included within the Strategic Risk Register; and
- ▶ Receive and review an on-going programme of “deep dives” (for execution by management) in respect of risks included within the Strategic Risk Register.
- ▶ Obligations to Health & Safety (including compliance with the Health & Safety at Work Act, 2015) are a key element of the management of risk within the Museum. The Audit and Risk Committee notes the Trust Board receives and reviews monthly reports on the performance of the Museum in its compliance with Health & Safety obligations.

Other

- ▶ Receive annually, in accordance with the Trust Board’s Governance Policy, a schedule of all bank accounts, their purpose and signatories;
- ▶ Undertake special investigations, or any other matters requested by the Trust Board;
- ▶ Examine any other matters referred to the committee by the Trust Board.

Secretarial and Meetings

- ▶ The Governance and Compliance Advisor shall act as secretary to the Audit and Risk Committee;
- ▶ The Committee will hold at least three meetings per year, which shall be scheduled to ensure timely review of the interim and year-end external audit visits:
- ▶ Meetings shall be attended by the Chief Executive and the Chief Financial Officer and others as appropriate;
- ▶ Any Trust Board member may request, through the Trust Board Chair, that the Committee convene to address any Museum financial matter that is of serious concern;
- ▶ The Chair of the Committee may also call a meeting of the Audit and Risk Committee if so requested by any Audit and Risk Committee member or the External Auditor or Internal Auditor;
- ▶ A resolution in writing, signed or assented to by at least three members of the Audit and Risk Committee, is as valid and effective as if it had been passed at a meeting of the Audit and Risk Committee duly convened and held.
- ▶ The Governance and Compliance Advisor in conjunction with the Chief Executive and Chair, shall draw up the Agenda;
- ▶ The Agenda and committee papers shall be distributed to committee members at least one week prior to each meeting;
- ▶ The Minutes of all Committee meetings shall be circulated to all Trustees.

Review of the Audit and Risk Committee

- ▶ The Committee shall undertake a formal review of its objectives and activities once every year;
- ▶ The Committee shall also review annually the Audit and Risk Committee charter and recommend any changes to the Trust Board.

Reporting Procedures

The Chair of the Committee shall make a report to the Trust Board after each Committee meeting on the findings and recommendations of the Committee.

The Committee is to report to the Trust Board all matters relevant to the Committee's role and responsibilities.

Approval

Signed:

Date:

Adopted by Trust Board 16 August 2018