

**Title: Terms of Reference - Audit and Finance Committee**

Department: Corporate \ Board of Management

Approved by: Board of Management



<b>Committee:</b>	<b>Audit and Finance Committee</b>
<b>Purpose and Objectives:</b>	<p>The REDHS Audit and Finance Committee (“the Committee”) will assist the REDHS Board of Management in fulfilling its governance responsibilities. The Committee will maintain oversight of:</p> <ul style="list-style-type: none"> <li>• The financial reporting process, financial performance and the annual financial statements.</li> <li>• Risk management, in particular risks allocated to the Committee within its designated responsibility as outlined in the <a href="#">Risk Management Framework</a>.</li> <li>• The process and subsequent recommendation to the Board of Management to appoint and/or dismiss internal auditors.</li> <li>• The scope of work, independence and performance of the internal auditor.</li> <li>• The acceptability and correct accounting treatment for and disclosure of significant abnormal business transactions.</li> <li>• The review and endorsement of accounting policies for Board of Management approval.</li> </ul>
<b>Roles and Responsibilities:</b>	<ul style="list-style-type: none"> <li>• To review the financial reporting process, financial performance and the annual financial statements.</li> <li>• To receive and review the Risk Register focusing on risks, controls and treatment plans allocated to the Committee within its designated responsibility.</li> <li>• To receive clinical services activity reports and monitor performance against targets</li> <li>• Discuss with management significant deviations in financial statements between periods and from budget and ensure that such deviations are consistent with prevailing business conditions.</li> <li>• To review the scope of work, performance and independence of internal and external auditors comprising:             <ul style="list-style-type: none"> <li>- Review and approval of the audit plans, their scope and progress.</li> <li>- Meeting separately with auditors’ in-camera to discuss any matters that the Committee or the auditor(s) believe should be discussed privately.</li> <li>- Ensuring significant findings and recommendations made by the auditors are received, discussed with action agreed and that this is implemented in a timely manner.</li> </ul> </li> <li>• Provide accountability and internal control to:             <ul style="list-style-type: none"> <li>- Ensure any internal control recommendations made by the internal and/or external auditors, endorsed by the Committee and approved by the Board of Management have been implemented by management. That is, track all agreed recommendations arising from audit.</li> <li>- Assess whether management has appropriate controls in place for unusual types of transactions and/or any particular transactions that may carry more than an acceptable degree of risk.</li> </ul> </li> <li>• To receive reports on legislative non-compliance and any planned, in progress or completed actions to achieve compliance and make any necessary recommendations including the addition of a non-compliance to the REDHS Risk Register.</li> <li>• Endorsement or otherwise of accounting policies for Board of Management approval.</li> <li>• Review the performance of the Committee and internal auditors on an annual basis and provide recommendations to the Board of Management.</li> </ul>

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<b>Membership:</b>	<p>The Committee shall comprise:</p> <ul style="list-style-type: none"><li>• Up to six (6) members who will be three (3) independent board members and three (3) other independent members of the community elected to the Committee in accordance with the requirements of the FMCF (refer to guideline 3)</li><li>• The Board Treasurer will be Chairperson.</li><li>• President of the Board of Management.</li></ul> <p>Two other members of the Board who shall be elected to this Committee in accordance with Standing Order A.2.</p> <ul style="list-style-type: none"><li>• Up to three appropriately skilled persons who are external to, the REDHS Board (appointed for a two (2) year term). This may be extended for a further two (2) years at the discretion of the Audit and Finance Committee and upon agreement by the Member. However, appointment shall not exceed two (2) terms or four (4) years. These non-Board Members are eligible to reapply after a gap of one (1) term of two (2) years.</li><li>• In attendance - Chief Executive Officer, Director of Clinical Services, Corporate Services Manager and Minute Secretary.</li><li>• In attendance – internal and external auditors when presenting reports, management letters and other relevant information.</li></ul> <p>Note: in-camera sessions shall exclude staff.</p>
<b>Co-opting powers</b>	The Committee may co-opt other persons as required.
<b>Quorum:</b>	A quorum for a meeting will be half membership plus one, including two (2) Board of Management members.
<b>Meeting Frequency:</b>	The Committee shall meet at least <i>four (4)</i> times a year at regular intervals and at such time and place as determined by the Committee.
<b>Evaluation</b>	Evaluate the effectiveness of the Committee's role, including terms of reference, annually or more frequently if required
<b>Supersedes</b>	27/9/2010 22/04/2010 26/06/2012