



Finance Committee Charter

1. Introduction

1. The Australian National University (ANU) Council has established the Finance Committee (the Committee) in accordance with section 18 of the *Australian National University Act 1991*.
2. This Charter sets out the Finance Committee's objective, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

2. Objective

3. The objective of the Committee is to monitor and provide advice to the Council on the University's management of its financial resources, subsidiaries, significant equity interests and other commercial activities consistent with the University's pursuit of excellence in all aspects of its work as presented in the Strategic Plan (ANU 2025).

3. Authority

4. The Council authorises the Committee, within the scope of its role and responsibilities, to:
 - obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
 - discuss any matters with external parties (subject to confidentiality considerations);
 - request the attendance of any ANU employee, officer of a controlled entity, or Council member at Committee meetings; and
 - obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the University's expense.

4. Composition and Tenure

5. The Committee shall consist of:
 - a Chair, appointed by the Council from among its members, who may not be a

student or employee of the University;

- ex officio, the Vice-Chancellor;
- ex officio, the Pro-Chancellor;
- ex officio, the Chair, Audit and Risk Management Committee;
- up to three other Council members, appointed by the Council;
- up to five other members, appointed by the Council, who have appropriate expertise, at least four of whom are neither students nor employees of the University.

6. The Committee may appoint a Deputy Chair from amongst its members.
7. The members, taken collectively, shall have a broad range of skills and experience relevant to the operations of the University. At least four members of the Committee should have a high level of relevant financial expertise. At least four members of the Committee should have a high level of relevant commercial or investment expertise.
8. Members shall be appointed for up to three years and are eligible for re-appointment.
9. The Council will have regard to a balanced membership, including with respect to background, gender, geographic location, culture and identity, and the need for both continuity and regular renewal in filling positions on the Committee.
10. Council members may attend Committee meetings and when they elect to do so will be provided with Committee papers.

5. Roles and Responsibilities

11. The Committee exercises such functions, responsibilities and authorities as may be assigned or delegated to it by Council from time to time, but only such executive powers as are explicitly delegated to it.
12. The Committee's responsibilities, subject to revision by Council, are to monitor, review and where appropriate make recommendations to Council with respect to:
 - a. significant matters relating to the ownership, management and divestment of assets, noting that there may be a need for interaction with other Committees of Council such as the Campus Planning Committee or the Audit and Risk Management Committee;
 - b. the creation of cash reserves and financial provisioning and management of employee superannuation, other entitlements and liabilities, insurance, and other financial matters;
 - c. the adoption of the University's annual (recurrent and capital expenditure) budget;

- d. the University's forward estimate projections and any implications arising for the University's budgetary position;
- e. the University's financial performance against budget and the performance against plans for capital expenditure on physical assets;
- f. the University's performance against its strategic key performance indicators, to the extent that such performance has a financial consequence for the University;
- g. the investment portfolio of the University, including:
 - o the objectives and strategy for the investment portfolio;
 - o the risk appetite and tolerance thresholds applicable for the investment portfolio;
 - o the management and financial performance of the investment portfolio;
 - o the management and performance of any external funds manager engaged by the University; and
 - o policies governing the operation of the investment portfolio, and their application.
- h. matters relating to the University's commercial activities, including:
 - o the establishment of new legal entities or participation in significant commercial activities, to ensure that all appropriate assessments and measures have been completed;
 - o the management and operation of controlled entities, auxiliary operations, other commercial activities and any other equity interests of the University;
 - o financial performance of these entities and activities, after receiving quarterly and annual reports, business plans, financial statements and auditors' reports; and
 - o reporting annually to Council on the performance, and any significant issues arising, in relation to controlled entities, auxiliary operations, and other commercial activities;
- i. matters of policy concerning the governance of financial and commercial matters;
- j. other matters raised by the Council or the Vice-Chancellor which have a significant direct or indirect effect on the finances of the University.

13. The **Council delegates authority to the Committee**, subject to University policy and relevant decisions of the Council, to approve investment criteria, authorise investments and strategic asset allocations, having considered advice by the Investment Office.

14. The Committee is to assist the Council in monitoring the University's commercial activities and to refer all matters of concern or significance to the Council.
15. Where the Committee identifies issues of possible concern relating to campus planning and development, it shall refer such matters to the Campus Planning Committee for consideration. Similarly, where it identifies issues that may present a risk to the University or its interests, it shall refer such matters to the Audit and Risk Management Committee for consideration.

6. Responsibilities of Members

16. Members of the Committee are expected to understand and observe the legal requirements of the *Australian National University Act 1991* and the *Public Governance, Performance and Accountability Act 2013*.
17. Members are also expected to:
 - a) act always in the best interests of the University as a whole, with this obligation to be observed in priority over any duty a member may owe to those electing or appointing them;
 - b) act in good faith, honestly and for a proper purpose;
 - c) exercise appropriate care and diligence;
 - d) not improperly use their position to gain an advantage for themselves or someone else; and
 - e) disclose and avoid conflicts of interest (with appropriate procedures for that purpose similar to those for public companies)¹.

7. Reporting

18. The Committee will regularly, but at least once a year, report to the Council on its operation and activities during the year. The report should include:
 - a summary of the work it performed to fully discharge its responsibilities during the preceding year; and
 - details of meetings, including the number of meetings held during the relevant period, and the number of meetings each member attended.
19. Where the Committee identifies exposure (or potential exposure) to material financial, commercial or reputational risk to the University, arising from its own operations or that of any controlled entity, auxiliary operation, or other commercial activity of the University, the Council is to be notified of the matter, and it is to be referred (including by informal means during meeting agenda preparation phases) to the Audit and Risk

¹ As outlined in the Voluntary Code of Best Practice for the Governance of Australian Universities (2018) Finance Committee Charter

Management Committee or other Council Committees for consideration and the development of advice to Council and/or the Vice-Chancellor.

20. The Committee may, at any time, report to the Council on any other matter it determines of sufficient importance to do so.

8. Administrative Arrangements

8.1 Meetings and Planning

21. The Committee shall meet at least four times per year, with six meetings in a standard year, on dates determined by the Committee.
22. The Chair is required to call a meeting if asked to do so by the Council and decide if a meeting is required if requested by another Committee member.
23. A forward meeting plan, including meeting dates and key agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all of its responsibilities, as detailed in this Charter.
24. The Chair will be regularly updated on the financial and commercial activities of the University and its subsidiaries and emerging issues by the Chief Operating Officer, or the Chief Financial Officer.

8.2 Attendance at Meetings and Quorums

25. A quorum shall consist of 50 per cent of Committee members (rounded up to the nearest whole number) who hold office for the time being.
26. Meetings can be held in person or by digital means.
27. Members of the University Executive, and other relevant persons may, subject to Committee direction, attend or may be required to attend meetings and contribute to Committee deliberations.
28. The Chair of the Committee may invite any ANU employee and/or external party to attend Committee meetings or participate in certain agenda items.

8.3 Secretariat

29. The Corporate Governance and Risk Office (CGRO) will provide secretariat support to the Committee.
30. The Finance and Business Services Division shall be responsible for the development and preparation of reports and other papers on financial and commercial matters to be presented to the Committee. Such reports and papers will be submitted to the CGRO for inclusion in the agenda papers.

31. In supporting the preparation of agenda papers, CGRO will provide procedural and contextual advice and drafting support, especially in respect of recommendations being presented to the Committee.
32. CGRO will ensure the agenda and supporting papers for each meeting are circulated, and at least 7 days before the meeting. Copies of the agenda and supporting papers (and access to meetings), will be made available to Council members as requested.
33. CGRO will ensure the minutes of the meetings are prepared and maintained. Minutes shall be authorised by the Chair for circulation to members for consideration prior to approval being sought from the Committee at the next meeting.

8.4 Conflicts of Interest

34. Upon joining the Committee and then once a year thereafter, Committee members will provide written declarations to the Council declaring any material personal interests that could preclude them from being members of the Committee. External members will be asked to consider past employment, consultancy arrangements and related party issues in making these declarations. Council will need to be satisfied that there are sufficient processes in place to manage any real, perceived or potential conflict of interest.
35. Committee members shall declare any material personal interests at the start of each meeting or before discussion of the relevant agenda item or topic. Details of material personal interests declared by Committee members, and actions taken, will be appropriately recorded in the minutes.

8.5 Induction

36. The CGRO will maintain a program of induction, training and awareness-raising for new Committee members, with the objective of enabling the Committee to keep abreast of contemporary developments and leading practice to assist members to meet their Committee responsibilities. The Finance and Business Services Division will assist CGRO in this task, as required.

8.6 Assessment and Review

37. The Chair of the Committee will initiate annually a review of the performance of the Committee and this charter, with the outcomes to be reported to Council. The review of performance will be conducted on a self-assessment basis unless otherwise determined by the Council.

Approved by the ANU Council on 10 February 2022.