



# Finance Committee Charter

## 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.

## Objective

3. The objective of the Committee is to provide advice to the Council on the University's management of its financial resources and of its subsidiaries and commercial activities.

## 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.

## 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;
  - 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 two years and are eligible for re-appointment.
  9. The Council will have regard to the University's objectives on gender equity, 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.

## **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 will be a need for interaction with other Committees of Council such as the Campus Planning Committee in this regard;
  - 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 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, and other commercial activities 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 pertaining to 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, authorised investments and strategic asset allocations, having considered advice by the Investment Office.

14. Section 18(4) (d) of the *Australian National University Act 1991* provides that the Council must not delegate its power to monitor the University's commercial activities, its subsidiaries, and any other entity it controls, to the extent required to ensure they do not have any significant adverse impact on, or pose any reasonable material risk to, the University's finances and operations. The Committee is to assist the Council in monitoring such 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 consideration for the University, it shall refer such matters to the Audit and Risk Management Committee.

## **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:

- act in the interests of the ANU;
- contribute the time needed to study and understand the papers provided; and
- apply good analytical skills, objectivity and good judgment.

## **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;
- 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, and other commercial activity of the University, the Council is to be notified of the matter, and it is to be referred to the Audit and Risk Management Committee for consideration and advice to Council and 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.

## **Administrative Arrangements**

### **Meetings and Planning**

21. The Committee shall meet six times per 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, location and 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 Executive Director, Administration and Planning or the Chief Financial Officer.

### **Attendance at Meetings and Quorums**

25. A quorum shall consist of 50 per cent of Committee members who hold office for the time being.

26. Meetings can be held in person, by telephone or by videoconference.

27. The Deputy Vice-Chancellors; the Executive Director, Administration and Planning; the Pro Vice-Chancellors; the Chief Financial Officer; and the Director, Corporate Governance and Risk Office may, subject to the Committee requesting otherwise, attend each meeting and contribute to its deliberations.

28. The Chair of the Committee may request any other ANU employee and/or external party to attend Committee meetings or participate in certain agenda items.

### **Secretariat**

29. The Corporate Governance and Risk Office shall 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 Corporate Governance and Risk Office for inclusion in the agenda papers.

31. The Corporate Governance and Risk Office will ensure the agenda and supporting papers for each meeting are circulated, after approval from the Chair and at least 7 days before the meeting. Copies of the agenda and supporting papers should be provided to all members of the Council via the secure server.

32. The Corporate Governance and Risk Office will ensure the minutes of the meetings are prepared and maintained. Minutes shall be approved by the Chair and circulated to each member of the Committee.

### **Conflicts of Interest**

33. Upon joining the Committee and then once a year thereafter, Committee members shall provide written declarations to the Council declaring any material personal interests that would 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 or perceived conflict of interest.

34. 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.

### **Induction**

35. The Corporate Governance and Risk Office will maintain a program of induction, training and awareness-raising for Committee members, with the objective of enabling the Committee to keep abreast of contemporary developments and leading practice to assist them to meet their Committee responsibilities. The Finance and Business Services Division will assist the Corporate Governance and Risk Office in this task whenever requested.

### **Assessment and Review**

36. The Chair of the Committee, in consultation with the Chancellor, shall initiate annually a review of the performance of the Committee, and this Charter, with appropriate input sought from the Council, the Vice-Chancellor, management and any other relevant stakeholders, as determined by the Council. The review of performance will be conducted on a self-assessment basis unless otherwise determined by the Council.

*Approved by resolution of the ANU Council meeting of 27 May 2016.*