Terms of reference

Finance, Audit, Compliance and Risk Committee

Approved by the Board
23 April 2026

AASW
Australian Association of Social Workers

1. Purpose

The Board of the Australian Association of Social Workers has established a Finance, Audit, Compliance and Risk Committee (hereinafter referred to as "FACR" or the "Committee") in accordance with the Company's Constitution.

These Terms of Reference set out the role and purpose of the Committee and are to be read in conjunction with the Board Charter.

2. Role and responsibilities

The Committee is not a policy-making body nor does it have a substantive executive function. However, it assists the Board in developing Board policy (if required) and monitoring organisational activity within the scope of its remit and making recommendations to the Board for resolution.

The role of the Committee includes assisting the Board with the Association's governance and exercising of due care, diligence and skill in relation to:

Audit

- review the audited annual financial statements before their presentation to the Board, to ensure they represent a true and fair view of the Association's financial position and performance and the Association's cash flow;
- meet with the external auditors to review results and discuss the adequacy and effectiveness of accounting and financial controls and any issues the external auditors wish to raise;
- monitor the progress of remedial actions to redress identified areas of weakness;
- monitor the effectiveness and independence of the external auditors.

Financial Management

- advise the Board on financial management and reporting matters, including the financial processes and procedures of the Association;
- review proposed annual budgets, assessing alignment to strategic and operational plans and appropriateness of underlying assumptions before recommending them to the Board;
- review the Association's periodic financial reports in a timely manner, making adoption recommendations to the Board as required;
- in conjunction with outsourced internal compliance/assurance auditors or in its own right, evaluate the adequacy, effectiveness and appropriateness of the Association's administrative, operating and accounting control systems and policies;
- ensure that investment of surplus capital is made in accordance with the Association's Investments Policy;
- review proposals for projects or capital expenditure and recommend their approval to the Board;
- monitor the solvency of the Association and raise any concerns to the Board's immediate attention.

Risk Management and compliance

- review, monitor and oversee the process for surveilling, identifying, assessing, managing and controlling significant risks facing the Association and the Board;

- ensure that the Association integrates the process for managing and controlling risk into the overall governance, strategy and planning, management, reporting processes, policies, values and culture of the Association;

- monitor compliance with applicable laws, regulations, standards, contracts and best practice guidelines;

- review the level and type of insurance coverage for the Association and make recommendations to the Board as required.

Authority

The Board authorises FACR, through the Committee Chair, to:

- inquire into, and make recommendations to the Board concerning the appointment, compensation and work of any registered company auditor engaged by the Association;

- resolve any disagreements between management and the auditor on financial reporting;

- seek any information it requires from employees directed to co-operate with FACR's requests, or from external parties.

Any current Director of the Association is able to access the Association's financial reports, risk register or other relevant information upon request to the FACR Chair.

Composition

The Committee will consist of at least two members of the Board, two association members, one social work student member, and as many independent external expert members that the Board deems appropriate to give effect to its remit. The Board will appoint Committee members and the Chair of the Committee for single-year terms, which may be served consecutively. Members appointed by the Board may serve a maximum of three consecutive terms. The Chair of the Committee must be non-executive and independent and must not be the Chair of the Board.

Invitees

Other people may attend meetings of FACR by invitation, for example:

- Chief Executive Officer
- Chief Financial Officer
- Company Secretary
- External audit provider
- the National President of the Association (in an *ex-officio* capacity)

They may take part in the business and discussions of the Committee but have no voting rights.

On occasion, the Executive and Management personnel may be asked to leave the meeting because the Committee requires a closed session with or without the external audit provider.

Meetings

FACR will meet at least six times a year (usually in advance of the Board) and hold extra meetings as required. A request for a meeting from the external auditors must be met within a reasonable time of the request being received by the Committee Chair or Secretariat.

Where the number of Directors, association members, social work student members, and independent external expert members on the Committee is an even number, the quorum will be equal to half of the appointed membership, plus one.

Where the number of Directors, association members, social work student members, and independent external expert members on the Committee is an odd number, the quorum will be equal to half of the appointed membership, rounded up to the nearest whole number.

In the Chair's absence, the Members who are present will select a Chair for that particular meeting. The Acting Chair for that particular meeting must be a Director member of the Committee.

The notice and agenda of a meeting will include relevant supporting papers and must be made available to Committee members at least five working days prior to the meeting date.

FACR may invite other people to attend a meeting, consult other people or seek any information considered necessary to fulfil its responsibilities. The members may meet separately with the external auditors.

Meetings may be held face-to-face, via technological methods, or in a hybrid format as they deem fit to facilitate member participation and engagement

Voting

Matters will generally be decided by consensus or, if a consensus can't be reached, by a majority of votes from the members present. Matters may be decided by circular resolution, provided the steps outlined in Clause F5 of the Association's Constitution are followed, however any circular resolution of the Committee must be ratified at the next available meeting of the Board of Directors.

Conflicts of interest

Committee members will be invited to disclose conflicts of interest at the start of each meeting. Ongoing conflicts of interest need not be disclosed at each meeting once they have been acknowledged. Where members or invitees are deemed to have a real or perceived conflict of interest they will be excused from committee discussions about the issue where a conflict exists.

Secretariat

The Company Secretary or another appropriate, designated person will act as Secretary to the Committee. The Secretary will help the Chair to develop and distribute the agenda, papers, minutes and/or circular resolutions, and calendar.

Minutes

Minutes and/or circular resolutions must be prepared, reviewed by the Chair and distributed to members at each scheduled meeting of the Committee. The minutes of a meeting must be ratified by members and signed by the Chair at the following meeting of the Committee.

Reporting to the Board

The Chair of the Committee is to report to the Board following each Committee meeting. The report may be verbal and be followed by copy of the minutes (when approved by the Committee) and/or any circular resolutions passed by the Committee. Minutes and resolutions will be supplemented with other necessary information, including recommendations requiring Board action and/or approval.

Reviews

The Committee will review its performance on an annual basis. The review may be conducted as a self-assessment and will be coordinated by the Chair. The assessment may seek input from any person. Training needs will be monitored by the Chair.

The Committee should review these Terms of Reference annually to ensure that it remains consistent with the Board's objectives and responsibilities. The Board should consider the Committee's review and where necessary, alter the responsibilities, functions or membership of the Committee.