

LIBRARIES BOARD OF SOUTH AUSTRALIA

Finance and Risk Committee Terms of Reference



Established as a committee of the Libraries Board at the 21 February 2000 meeting of the Libraries Board under the provisions of section 15 of the *Libraries Act 1982*.

1 Role of the Committee

1.1 The Finance and Risk Committee provides advice and recommendations to the Board on:

- Proposed financial plans and budgets for all elements of Libraries Board activities including investments, and the compliance of Bequest funding proposals with Libraries Board policies.
- Progress against budgets during the year.
- Annual Financial accounts of the Libraries Board.
- The financial implications for the Board of significant projects and any other matters referred to it by the Board.
- Risk policy and strategy.
- Compliance against laws, regulations, published standards and community expectations of probity, accountability and openness.
- Performance against strategic priorities through the effective oversight of the management of risks.

1.2 The Committee will also undertake and report to the Board the findings of its:

- Annual review of the performance of the Board's investment manager;
- Annual review of the financial performance of the Board's investments when compared to agreed benchmarks.

2 Authority

2.1 The Committee will have the authority to acquire any information it sees as relevant to its activities from any section under Libraries Board control.

2.2 The Committee may request any information it believes relevant to its role from external agencies such as the Department of the Premier and Cabinet (DPC), Shared Services South Australia (SSSA) and Crown Solicitors Office (CSO).

2.3 The Committee is also authorised to obtain such independent advice as it considers necessary.

2.4 The Committee will make recommendations to the Board for action.

3 Membership

3.1 Membership of the Committee will comprise

- at least three members of the Board including a Chairperson appointed by the Board
- external members appointed by the Board
- the Director of the State Library (ex-officio), and
- Manager Finance, Risk and Compliance (ex-officio)

3.2 Staff from DPC, SSSA and the State Library and PLS will attend meetings as necessary.

3.3 The Board Executive Officer will be the Finance and Risk Committee Executive Officer.

4 Responsibilities of the Committee

4.1 The responsibilities of the Committee will be to:

- Participate in the review of the proposed operating and cash budgets for the Board.
- Provide advice and recommendations to the Board on the annual statutory Financial Accounts for the Libraries Board.
- Receive reports from the Public Libraries Committee on funding recommendations.
- Review progress quarterly against the annual budget and the financial aspects of the performance agreements with DPC. Propose corrective actions if variations to the budget or changed circumstances require it.
- Monitor the financial performance of the investment funds.
- Make recommendations to the Board for changes to these investments in line with the Board's Investment policy.
- Review proposals for bequest and donation funding and advise the Board whether they comply with the Libraries Board's Investment and Expenditure Policy.
- Review and make recommendations about the potential financial impact of proposed policy changes on the Board prior to presentation to the Board.
- Review the financial implications of any matter referred to it by the Board.
- Review all purchase and expenditure delegations on an annual basis.
- Review audit reports delivered by the Auditor-General and responses from Senior Management.
- Recommend to the Board the undertaking of financial investigations, either by staff or external organisations, into any matters of potential concern to the Board.
- Review the implementation and effectiveness of the risk management framework including associated processes and arrangement for identification and management of business, financial and fraud risks.
- Review strategic and individual risk profiles and oversee significant risk exposures and control issues.

- Review and advise on the effectiveness of business continuity management planning arrangements, periodic testing and disaster recovery.
- Discuss any compliance incidents and breaches, and to improve compliance standards and controls.

5 Meetings

- 5.1 The Committee will meet at least quarterly to monitor progress against budget and the performance of investment funds.
- 5.2 The Chairperson having regard to the need for the Committee to meet its responsibilities will schedule any other meetings or additional meetings.
- 5.3 The Chairperson will call a meeting of the Committee if so requested by a Committee member or the Board Chairperson, or the Director of the State Library.

6 Quorum and Voting

- 6.1 A quorum is greater than 50% of members and must include one Board member.
- 6.2 All decisions are passed by consensus unless a member dissents or requests a vote. Committee members, other than ex-officio members may vote.

Appendix to the Terms of Reference

7 Statutory Financial Reporting Obligations

- 7.1 The *Public Finance and Audit Act 1987* section 23 (1) requires public authorities to submit draft financial statements that comply with the Treasurer's Instructions to the Auditor General within 42 days after the end of financial year. The draft statements are required to be signed by the chair of the Board, Director and Associate Director PL&CS.
- 7.2 The final audited financial statements are required to be submitted to DPC before 30 September along with the annual report. Therefore the September meeting may be changed to enable the final statements and annual report to be tabled and approved.

8 Key Dates

The below table outlines the annual agenda items for the Committee. Additional items will be added to the agenda each meeting as issues arise during the year.

Agenda Item	Target Committee Meeting				
	Feb	May	July	Sept*	Nov
Budget - Draft		✓			
Budget - Bequest Funds		✓			
Budget – Final**			✓		
Budget – Trading Account			✓		
Capital Budget		✓			
Fees and Charges Review		✓			
Financial Authorisations (Delegations)		✓			
Finance and Risk Committee Terms of Reference Review	✓				
Financial Management Compliance Program	✓				
Financial Statements				✓	
Investment Policy Review	✓				
Quarterly Investment Update	✓	✓	✓		✓
Quarterly Budget v Actual Reports	✓	✓	✓		✓
Risk Register		✓			
Risk and Business Continuity Update (to include cyber security update)			✓		
Internal Procurement CF Suitability Review		✓			
IPCF Biennial Review (every second year)		✓			
Bequest Review Policy					✓
Procurement Action Plan Update					✓
Update on New Accounting Standard Impacts (if required)	✓	✓	✓	✓	✓
Summary report of FRC meeting for Board	✓	✓	✓	✓	✓

*Additional meeting to endorse the Financial Statements

** Will change depending on the timing of the budget advice from DPC