



Essendon Football Club

ACN 004 286 373

Finance, Risk, Integrity & Governance Committee Charter

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Finance, Risk, Integrity & Governance Committee Charter

1. Purpose

The purpose of the Committee (**Committee**) is to assist the Board in fulfilling its oversight responsibilities relating to:

- (a) the preparation and integrity of the Club's annual budget and financial accounts and statements;
 - (b) internal controls, policies and procedures that the Club uses for the purposes of governance and to identify and manage business risks;
 - (c) the Club's insurance and risk management programs; and
 - (d) significant Club related regulatory and compliance issues, compliance with laws, AFL and other relevant regulations and the Club's internal policies and procedures.
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2. Membership

Unless the Board resolves otherwise, the Committee will have a minimum of three members (including the Chair), and a Secretary.

The Board may appoint, remove or replace members of the Committee (including the Chair) at its discretion, but at all times the members of the Committee (including the Chair) must be Directors of the Club.

Any member of the Committee (including the Chair) who ceases to be a Director of the Club will at the same time cease to be a member of the Committee.

The Committee may appoint, remove or replace the Secretary at its discretion.

3. Functions and Responsibilities

In assisting the Board in fulfilling its responsibilities, the Committee should perform the following functions and activities.

3.1 Financial Reporting, Controls and Audit

(a) Assessment of Financial Information, Reporting Procedures and Controls

- (1) Review with Management its evaluation of the Club's internal control structure and procedures for financial reporting, including any significant deficiencies or material weaknesses.
 - (2) Review any significant accounting and reporting issues/policies and understand their effects on the Club's financial statements.
 - (3) Review and provide a recommendation to the Board as to the approval of the Club's annual budget.
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- (4) Review and provide a recommendation to the Board as to approval of the annual financial statements and report, having consulted with the auditor (including in the absence of Management) and reviewed:
 - (A) the written attestations provided by the Chief Executive Officer and Chief Financial Officer and any other relevant officials;
 - (B) Management's proposed final annual financial statements and report; and
 - (C) the auditor's report of results and significant findings, together with Management's responses,
- (5) Discuss any issues with the auditor in the absence of Management and, if required, resolve any disagreement between Management and the auditor. Report any significant issues to the Board.

(b) **Oversight of External Audit Function**

- (1) Review the previous year's audit process and identify any required changes.
- (2) Consider and make recommendations to the Board regarding the appointment of the auditor.
- (3) Review and approve the terms of engagement and the audit fees for the auditor prior to the commencement of each audit.
- (4) Review and approve the proposed audit plan(s) and approach, including materiality levels.
- (5) Consider any additional assignments to be conducted by the auditor.

3.2 Oversight of Management of Business Risks, Governance Framework and Insurance

- (a) Oversee and make recommendations to the Board with regard to the Club's governance and risk management frameworks and their resourcing.
- (b) Review the Club's risk registers, including actions taken to manage/minimise risk, and present the priority risks annually to the Board for approval.
- (c) Review key governance policies, procedures and controls.
- (d) Oversee the Club's insurance program.

3.3 Integrity & Compliance Oversight

- (a) **Oversight of Integrity Procedures & Risks and Compliance with AFL Requirements**
 - (1) Obtain input from the AFL Integrity and Security Department on current and emerging issues which the AFL regards as high risk.
 - (2) Review and make recommendations with regard to management of integrity risks and compliance with AFL requirements, which may include:

- (A) reviewing compliance with AFL rules and regulations, internal or external policies and procedures and relevant laws and regulations (including any incidents of non-compliance);
- (B) reviewing the education regime in place for the Board, management, players, other employees, volunteers and officials; and
- (C) recommending internal policies and procedures to the Board and Management (as appropriate).

The areas to be considered by the Committee each year will be determined by the Chair (or by resolution of the Committee) and may include, but will not be limited to, the following:

(D) **Anti-Doping Code, Illicit Drugs Policy and Medical**

- (i) Reviewing the Club's compliance with its medical protocols, the AFL's anti-doping code and illicit drugs policy and other rules and regulations relating to medical matters.
- (ii) Reviewing policies and procedures and associated compliance with regard to specific AFL rules, including but not limited to the AFL's Treatment Rules (such as Prohibited and Controlled Treatments; no needles policy; maintenance of substance and treatment registers and safe storage).

(E) **Gambling Regulations**

Reviewing the Club's compliance with the AFL's anti-corruption and gambling regulations, including policies and procedures and associated education programs.

(F) **AFL Requirements Regarding Personal Conduct**

- (i) Reviewing the Club's education and awareness programs, policies, codes and procedures and other compliance systems relating to AFL requirements concerning personal conduct, including in relation to:
 - (a) racial and religious vilification
 - (b) respect and responsibility and
 - (c) responsible use of alcohol.
- (ii) Reviewing the handling by staff, players and volunteers of incidents and non-compliance.

(d) **Oversight of Total Player Payments (TPP) Compliance**

- (1) Review the Club's procedures, controls and key risks with respect to TPP compliance.
- (2) Receive and review the annual audit of TPP compliance.

- (e) **Oversight of AFL Registration, Background Checks and Induction Procedures**
 - (1) Review practices and procedures for ensuring AFL registration requirements are met for all players and Club officials and also for vetting new personnel in relation to integrity, which includes relevant police and background checks.
 - (2) Review induction and/or training practices and procedures for new personnel.
 - (f) **Oversight of Whistleblower Procedures**
 - (1) Note all whistleblower reports received within the Club and consider them where appropriate.
 - (2) Ensure that staff or players have the capability to raise, directly with the Chair (and other individuals nominated by the Committee), any issues or concerns regarding integrity within the Club.
 - (3) Monitor the promotion of awareness of the AFL's and other whistleblower channels to staff and players.
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4. Authority

The Committee may, within the scope of its responsibilities:

- (a) perform the activities required to address its responsibilities;
 - (b) make such recommendations as it sees fit to the Board or Chief Executive Officer;
 - (c) select, engage and approve fees (to be met by the Club) for any professional advisers that the Committee may reasonably require to carry out its duties;
 - (d) liaise with relevant AFL officials;
 - (e) require written reports, documentation and submissions from any Club official as appropriate;
 - (f) require the attendance of any Club manager or staff member at meetings as appropriate;
 - (g) have unrestricted access to management, employees and information it considers relevant to its responsibilities under this charter; and
 - (h) liaise with and request attendance of the external auditor, or other relevant external advisors.
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5. Access

The Chief Executive Officer should ensure that:

- (a) staff and players are aware of their ability and responsibility to raise any issues or concerns with the Committee or other appropriate individuals such as the Chief Executive Officer, Executive General Manager – People & Culture or General Counsel & Company Secretary; and
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- (b) ensure that relevant contact details are readily available.
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6. Meetings

6.1 Number of Meetings

The Committee must meet at least three times per year.

6.2 Calling Meetings

Any member of the Committee, the President or Chief Executive Officer of the Club, any other member of the Executive, the General Counsel & Company Secretary or a Club Doctor may call a meeting of the Committee.

6.3 Means of Participation

Meetings may be conducted in person, by way of telephone, video conference or any other similar means (and by any combination of these).

6.4 Agendas

The Secretary will prepare agendas following discussions with the Chair and will, where practicable, ensure all relevant papers are distributed to Committee Members at least three business days prior to each meeting.

6.5 Quorum

Unless otherwise resolved by the Board, two members of the Committee will constitute a quorum.

6.6 Absence of Chair or Secretary

Where the Chair or Secretary of the Committee is absent from a meeting, the Committee Members present must appoint a chair or secretary for that particular meeting (as applicable).

6.7 Voting

Each member of the Committee will have an equal vote. The Chair will have a casting vote in the event of an equality of votes.

6.8 Meeting Attendance

The Chair of the Committee extends a permanent invitation to attend each meeting to the:

- (a) Chief Executive Officer;
- (b) Chief Operating Officer;
- (c) Chief Financial Officer;
- (d) Executive General Manager People and Culture ;
- (e) General Counsel & Company Secretary;

- (f) Risk & Legal Manager.

Any person may be invited by the Chair to attend meetings of the Committee, but not necessarily for the full duration of the meeting, including other management and Football Department representatives and independent experts..

6.9 Circular Resolutions

Where all members of the Committee have been given reasonable notice in writing of a proposed resolution, the Committee may pass the resolution by circular resolution signed or otherwise approved in writing by a majority of members of the Committee.

7. Minutes and Reporting

- (a) Minutes of each Committee meeting must be kept.
- (b) The draft minutes for each Committee meeting should be approved by the Chair and circulated to all Committee members within a reasonable time following a meeting and approved at the next meeting.
- (c) The Chair will ensure that the minutes of each meeting (in at least the form having the Chair's preliminary approval) are distributed to the Board in the papers for the next Board meeting (or otherwise to the Board within a reasonable time following the meeting).
- (d) The Chair will report to the Board in respect of each meeting
- (e) The Chair will inform the President of the Club as soon as practicable of any major and urgent issues that are raised at any meeting.

8. Review

The Committee will review its activities and performance annually for reporting to the Board by reference to the Committee's functions and responsibilities under this Charter.

The Committee will review this Charter annually and recommend to the Board any amendments as it sees fit.