

HEALTH WORKERS
UNION AUDIT AND
COMPLIANCE
COMMITTEE
CHARTER 2015

Audit and Compliance Committee Charter

1. Purpose

- 1.1 An independent Audit and Compliance Committee (the Committee) is recognised as an important feature of good governance and is an efficient mechanism to ensure the integrity of the Union's financial reporting.
- 1.2 The purpose of the Committee is to:
 - 1.2.1 independently verify and safeguard the integrity of the Union's financial reporting
 - 1.2.2 ensure that the Union's financial reporting is presented to members in a factual manner that allows members to easily comprehend the information.
- 1.3 The purpose of this Charter is to:
 - 1.3.1 document the functions, responsibilities and administration of the Committee
 - 1.3.2 give the Committee the necessary power and resources so that it can carry out its role and responsibilities.

2. Functions of the Committee

Financial Information

- 2.1 The Committee is to prepare budget and cash forecasts, to examine closely financial statements on a regular basis, and to monitor and protect the funds and property of the Union.
- 2.2 The Committee may adopt budget and cash forecasts prepared or verified by the Finance Manager.
- 2.3 The Committee will review the draft annual financial statements before referral to the Branch Committee, focusing on:
 - 2.3.1 significant changes in accounting policies and procedures
 - 2.3.2 major judgmental areas
 - 2.3.3 significant audit adjustments
 - 2.3.4 proposed departures from accounting standards
 - 2.3.5 compliance with statutory requirements for financial reporting.

Risks, policies and controls

- 2.4 The Committee will monitor and review the adequacy of the Union's accounting control systems on a regular basis, by reviewing the external auditor's written reports and by monitoring the CFO's responses and actions to correct any deficiencies.
- 2.5 The Committee will assess the management processes supporting external reporting and determine whether external reporting is consistent with Committee members' information and knowledge, and is adequate for the needs of members.

External auditors

- 2.6 The Committee will:
 - 2.6.1 Create procedures for the selection and appointment of the external auditor and for the rotation of external audit engagement partners.
 - 2.6.2 Recommend the appointment or, if necessary, the removal of the external auditor.
 - 2.6.3 Assess the performance and independence of the external auditors.
 - 2.6.4 Meet with the external auditors on at least two (2) occasions during the year. One of these meetings will involve the review of the audit management letter and discussion of the conduct of the audit and any matters arising.

3. Composition of the Committee

- 3.1 The Committee will be comprised of the Secretary and four (4) ordinary members of the Union Council, appointed by the Union Council.
- 3.2 The Committee should include members who are financially literate (that is, be able to read and understand financial statements).
- 3.3 Where possible, the Committee should have at least one member who has relevant accounting, legal or financial management qualifications and experience.

4. Meetings of the Committee

- 4.1 The Committee shall meet on a monthly basis. The meetings must be conducted in such a manner that allows members to participate and be actively involved. The meetings can be conducted through whichever means the Committee deems to be most appropriate, such as in person, by telephone conference or by video conference.



5. Resources of the Committee

- 5.1 Each member of the Committee will be provided with financial management training within three (3) months of appointment. Each member of the Committee is expected to update and improve his or her skills on an annual basis.
- 5.2 The Committee will be given the necessary resources such as access to the person(s) responsible for creating financial documents, the right to seek explanation and additional information.

6. Reporting

- 6.1 The Committee will report to the Branch Committee in writing on a monthly basis. The report should contain all matters relevant to the Committee's role and responsibilities. The minutes of all Committee meetings are to be circulated to all members of the Branch Committee.
- 6.2 The ultimate responsibility for the integrity of the Union's financial reporting rests with the Secretary, who is accountable to the Branch Committee.

This version of the HWU Audit and Compliance Committee Charter 2015 can be altered or amended with the approval of the HWU State Secretary and the HWU BCOM.

Version History

<i>Version</i>	<i>Effective date</i>	<i>How made</i>	<i>Section(s) affected</i>
2.0	02 /02/2015	Developed by Research Officer (Kamal Bekhazi)- Presented to and adopted by HWU BCOM	All