

IMMAF Financial Audit Committee

Terms of Reference

1. Status and Role

1.1 The IMMAF Financial Audit Committee ("Financial Audit Committee") is elected by the IMMAF General Assembly and is independent of the IMMAF Board of Directors ("Board of Directors") under Article 17 of the IMMAF Statutes.

1.2 The role of the the Financial Audit Committee to audit the financial activities of IMMAF and to provide independent oversight of financial matters related to IMMAF:

2. Commencement

2.1 These Terms of Reference are effective from 1 December 2019.

3. Composition

3.1 Size: The Financial Audit Committee shall comprise up to 5 people, including a Chair. The Chair shall be chosen by the members of the Committee at its first meeting after the election of the Committee:

3.2 Eligibility and Election procedure:

a. Election to the Committee will take place every 2 years at the IMMAF General Assembly. IMMAF Member Federations will inform the IMMAF CEO in writing of any candidates they wish to be considered for election at least 1 month before the election date.

b. Only one representative from each IMMAF Member Federation may be elected to the Committee.

b. To be eligible for election, and to remain as, a Financial Audit Committee Member the person must have specialist and professional knowledge of financial services:

a. be nominated by an IMMAF Member Federation (or a body affiliated to the Member Federation) in good standing;

b. be at least 18 years old;

c. be able to speak and understand English reasonably well;

d. not be under investigation, or convicted or otherwise sanctioned for:

i. any other offence or breach of any rules of IMMAF, an Area Association or a Member Federation; or

ii. an offence under any applicable laws punishable by a term of imprisonment of 2 years or more (unless the person has served the sanction imposed on them);

4. Term and Vacancies

4.1 Term: The term of office for members of the Financial Audit Committee is two years:

4.2 Resignation and Removal

a. A member of the Financial Audit Committee may resign prior to the expiry of their term of office by giving not less than 1 months' notice in writing to the Financial Audit Committee Chair and IMMAF Board.

b. A Financial Audit Committee Member may be removed from the Committee prior to the expiry of their term of office, by decision of the IMMAF Board on the recommendation of the Committee Chair, for:

- i. breach of any duty under clause 8; or
- ii. any other act or conduct that, in the opinion of the IMMAF Board, brings the Financial Audit Committee or IMMAF into disrepute.

c. In addition, a Financial Audit Committee Member shall be deemed to have vacated his or her position if, during their term, he or she:

- i. is absent from two consecutive meetings of the Financial Audit Committee.

4.3 Changes and Vacancies: If any position on the Financial Audit Committee is vacant, whether by resignation, removal or otherwise at any time, the Board of Directors may (on the recommendation of the Committee Chair and IMMAF Board) appoint a replacement member (who is eligible under clause 3.3) for the balance of the term of office of the vacated position.

5. Chair

5.1 Role and Responsibilities: The role of the Chair is to lead and be the spokesperson for the Financial Audit Committee. The Chair has the following responsibilities:

- a. chair and prepare the agenda/papers for all meetings of the Committee;
- b. be the spokesperson for the Committee;
- c. liaise with the President and Chief Executive as required or requested;
- d. prepare and present reports to the IMMAF Board;
- e. attend meetings of the IMMAF Board and any other Committees or Working Groups as requested by the President or Board of Directors;

- f. be IMMAF representative at any relevant forums, groups or presentations as requested by the President or the Chief Executive;
- g. regularly communicate with the members of the Financial Audit Committee and other persons in order to identify issues for the Financial Audit Committee to consider; and,

5.3 Resignation or Removal: The Chair may be removed from their position, prior to the expiry of their term of office, by:

- a. resignation; or,
- b. decision of the IMMAF Board; or
- c. resignation or removal from the Committee under clause 4.2.

6. Responsibilities

6.1 The Financial Audit Committee will fulfil its role by undertaking the following responsibilities:

- Monitor the integrity of IMMAF's financial statements and ensure that the financial statements of IMMAF are prepared in accordance with the International Financial Reporting Standards (IFRS) and comply with local law; monitor any other formal announcement relating to its financial condition; and review significant financial reporting judgments.
- Oversee IMMAF internal control and risk management systems and report to the IMMAF Board on the types of risk to which IMMAF is exposed; Verify that effective business continuity plans are in place.
- Review compliance with policies, procedures and applicable regulations, including arrangements by which IMMAF staff and suppliers may, in confidence, raise concerns about possible improprieties in matters of ethics or financial reporting.
- Advise the IMMAF Board for the approval at the annual Session of the appointment, re-appointment or removal of the external auditor.

7. Authority

7.1 Independent of the IMMAF Board, the Financial Audit Committee has an important advisory role and should be considered as the highest authority when it comes to financial decisions taken by IMMAF.

7.2 The Financial Audit Committee may decide, when it is in the interests of IMMAF or in the public interest, to make public statements about IMMAF, the Financial Audit Committee or any aspect of the Financial Audit Committee's work, without prior approval of the IMMAF Board.

8. Duties of Financial Audit Committee Members

- 8.1** Members shall wholeheartedly champion IMMAF values and always act in the interests of IMMAF;
- 8.2** Share all communications and information amongst Financial Audit Committee members;
- 8.3** Make timely decisions to not hold up ongoing projects;
- 8.4** Notify members of the IMMAF Financial Audit Committee, as soon as practical, of any financial matter which may affect the development of IMMAF activities;

9. Rights of Financial Audit Committee Members

- 9.1** Members will be provided with complete, accurate and meaningful information in a timely manner by IMMAF Staff;
- 9.2** Members will be given reasonable time to formulate key recommendations
- 9.3** Members will be alerted to potential risks and issues that could impact relevant project, as they arise
- 9.4** Members can expect open and honest discussions, with the avoidance of misleading assertions

10 Participation:

- 10.1** Financial Audit Committee Members shall attend each scheduled meeting of the Committee (in person or using technology) unless excused by the Chair.
- 10.2** Each Committee member shall participate in an active and energetic way in Committee meetings and in matters undertaken by the Committee between meetings.
- 10.3** Each Financial Audit Committee Member must be adequately prepared for each Committee meeting in order to participate effectively and constructively.

11. Ethics Code:

- 11.1** Committee Members are IMMAF Officials and as such are bound by the IMMAF Ethics Code and other IMMAF Policy documents. This includes principles of conduct related to integrity, equality, dignity, good faith, conflicts of interest, improper benefits, improper association and neutrality.
- 11.2** IMMAF Rules: Financial Audit Committee Members are bound by all the rules and regulations of IMMAF.

12. Reporting

12.1 Reports to IMMAF Board: The Financial Audit Committee shall submit a report to the IMMAF CEO in writing within 1 month of each meeting of the Committee. This report shall be prepared by the Chair of the Financial Audit Committee in collaboration with the IMMAF Staff Liaison. All Financial Audit Committee Members shall receive a copy of this report.

12.2 Annual Summary Report: By a date specified by the Chief Executive, the Chair shall, in consultation with the Financial Audit Committee members, prepare an annual report with a summary of the Committee's work for inclusion in the IMMAF Board's annual report to the Member Federations. This report will also be published on the IMMAF website.

13. Financial Audit Committee Meetings and Procedure

13.1 Work: The Financial Audit Committee shall undertake its work at meetings of the Committee and in between meetings by telephone, email and other means of communication as is necessary to fulfil its responsibilities.

13.2 Meetings: The Financial Audit Committee shall meet in person once each year. The dates and venue are to be agreed by the Chair and the Chief Executive Officer. As much notice as possible, usually at least two months' notice, will be given to all Committee Members of the date, time and venue for any meeting.

13.3 Agenda: The Chair shall prepare an agenda for each meeting in consultation with the Staff Liaison. Committee Members may submit items for the agenda through the Chair. The agenda, together with relevant papers, will be distributed to all Committee Members by IMMAF Staff Liaison prior to each Committee meeting (usually 2 weeks prior).

13.4 Chair: The Chair will chair all meetings, unless he or she is unavailable in which case the Chief Executive Officer will designate a replacement.

13.5 Attendees: In addition to Committee Members:

- a. The President and the Chief Executive Officer will be invited to attend every meeting of the Committee.
- c. Other persons and experts may be invited by the Chair to attend meetings to provide information or advice on a specific item of business at a meeting, with the prior approval of the Chief Executive Officer;

13.6 Meetings using Technology: Financial Audit Committee meetings may be held by telephone, through video or internet conference facilities or in combination with a meeting held in person provided that prior notice of the meeting is given to all Committee Members and all persons participating in the meeting are able to hear each other effectively and simultaneously. Participation by any Committee Member in this manner at a meeting shall constitute the presence of that member at that meeting.

13.7 Remote Decisions: In addition to discussions and decisions made in meetings of the Financial Audit Committee, discussions may be held between members via email and other social media and messaging platforms, provided that any resolutions or decisions of the Committee which follows such discussion, shall only be valid if decided by email in the manner prescribed by the Chair and Chief Executive Officer.

13.8 Quorum: The quorum for all meetings of the Financial Audit Committee shall be a majority (half + 1) of the total number of members of the Financial Audit Committee. This quorum also applies to remote decisions.

13.9 Voting: Decisions of the Financial Audit Committee shall generally be made by consensus. If a consensus cannot be reached and a vote is required, each Financial Audit Committee Member shall have one (1) vote. Voting by proxy is not permitted. Where members are attending a meeting using technology (in accordance with clause 10.6), they may vote by email in accordance with the procedures prescribed by IMMAF). Except to the extent specified in these Terms of Reference, a majority in favour of an action by those Financial Audit Committee Members present at a meeting, is required for it to be passed.

A member who attends a meeting via telephone or video or other conference facility shall be regarded as being present. In the event of an equality of votes, the Chair may cast a casting vote.

13.11 Minutes: Minutes of each meeting of the Financial Audit Committee shall be taken. IMMAF Staff Liaison or other person designated by the Chief Executive Officer will be responsible for taking the minutes during the meeting. The minutes will be finalised in consultation with the Chair and sent to the Financial Audit Committee members within a maximum of one (1) month of the meeting. Any amendments to the Minutes will be agreed at the next meeting of the Financial Audit Committee and noted accordingly.

13.12 Confidentiality: All meetings and the work of the Financial Audit Committee are confidential. No documents, information, discussion, recommendations or decisions made at a Financial Audit Committee meeting or otherwise exchanged or agreed in connection with the work of the Financial Audit Committee, shall be disclosed to any other person unless:

- a. the Financial Audit Committee Chair authorises such disclosure;
- b. the Financial Audit Committee agrees that such disclosure is necessary or desirable to advance its work;
- c. the matter is in the public domain; or
- d. such disclosure is required by law or any applicable authority, including the IMMAF Ethics Committee, IMMAF Arbitration Panel or another Disciplinary Tribunal.

14. Administration

14.1 Expenses: Financial Audit Committee Members act as such in a voluntary capacity and will not be compensated for their work as a Committee Member. IMMAF will reimburse expenses and pay a per diem for each Financial Audit Committee Member in accordance with IMMAF policy.

14.2 Administration: IMMAF will arrange travel, accommodation and insurance for Financial Audit Committee meetings in accordance with IMMAF policy.

14.3 Documents: IMMAF will provide the Financial Audit Committee with all documents held by IMMAF relevant to the Financial Audit Committee's work. All records, minutes and notes will be stored in the IMMAF Head Office