

# **CULTURAL FACILITIES CORPORATION**

## **BOARD CHARTER**

**Updated version endorsed by CFC Board on 28 April 2021**

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## INTRODUCTION

The Board of the Cultural Facilities Corporation (CFC) promotes and is responsible for good governance of the CFC.

This Board Charter sets out the framework within which the Board operates, and the Board's role, composition and responsibilities.

The CFC's system of governance is intended to ensure the strategic guidance of the organisation and the effective monitoring of management by the Board, in order to :

- ensure the CFC achieves its mission and purpose;
- enhance organisational performance;
- understand and manage risks to minimise negative aspects and maximise opportunities;
- strengthen stakeholder confidence;
- enhance the CFC's public reputation through enhanced transparency and accountability; and
- demonstrate how the CFC is discharging its legal, stakeholder and ethical obligations.

As a statutory enterprise of the ACT Government, the CFC operates within a strong governance framework established by the government. The key pieces of legislation and government documents are:

- the *Financial Management Act 1996* Part 9, Divisions 9.1 – 9.5 (Governance of Territory Authorities)
- the *Cultural Facilities Corporation Act 1997*, Part 2 (The Corporation)
- the *Public Sector Management Act 1994*
- the ACT Government Service Code of Conduct
- the ACT Government Service Performance Framework

Strong organisational governance is also guided by a number of CFC plans and statements including long-term Strategic Plans, and annual Corporate Plans and Statements of Intent based on the Strategic Plans.

The CFC's financial and risk management is supported by the work of the Audit Committee of the Board and through the CFC's Strategic Risk Management Plan, Internal Audit Program and Fraud Control Plan.

## **PART A BOARD RESPONSIBILITIES AND FUNCTIONS**

### **A1. Responsibilities and functions under ACT legislation**

A1.1 The conduct of the Board is governed by the *Cultural Facilities Corporation Act 1997* and the *Financial Management Act 1996*.

A1.1 The Board has the following specific responsibilities as stated in the *Financial Management Act 1996* s.56 :

- (a) under the Minister, for the efficient and effective financial management of the resources for which the CFC is responsible; and
- (b) for managing the CFC in a way that promotes the achievement of the CFC's purpose and the CFC's financial sustainability.

A1.2 The Board has the following specific functions as stated in the *Financial Management Act 1996* s.77 :

- (a) setting the CFC's policies and strategies such as : risk management; communication with government; and corporate planning;
- (b) governing the CFC consistently with the CFC's establishing Act and other relevant legislation;
- (c) ensuring, as far as practicable, that the CFC operates in a proper, effective and efficient way; and
- (d) ensuring, as far as practicable, that the CFC complies with applicable governmental policies.

### **A2. Matters reserved to the Board**

Within the specific functions identified in Section A1 above, the Board has reserved the following matters for its determination.

#### **A2.1 Strategy and organisational performance**

- (a) The Board is responsible for the strategic direction of the CFC, including the development of long-term Strategic Plans.
- (b) The Board reviews and approves the CFC's annual Corporate Plan based on the current Strategic Plan.
- (c) The Board approves performance indicators and annual performance targets, and reviews performance against them.

#### **A2.2 Financial management, financial controls and risk**

- (a) The Board establishes an Audit Committee and appoints member to it in accordance with Part G of this Charter.
- (b) The Board regularly receives reports on the CFC's financial management and reports on the CFC's capital and strategic projects.
- (c) The Board approves theatre programming proposals where Canberra Theatre Centre budgeted expenditure on the theatre product is above \$250,000 or in circumstances where adding to, use of, or access is needed to the Theatre Reserve.
- (d) The Board approves any addition, use of, or access to the Theatre Reserve.
- (e) The Board approves any addition, use of, or access to the Acquisition Reserve.
- (f) The Board approves business cases for capital or other strategic projects, which require an initial investment from the CFC's internal funds of above \$100,000.

- (g) The Board approves the purchase of objects or works for the Canberra Museum and Gallery Collection, which are over the value of \$11,000. While this is a relatively low amount, the Board has identified it as the threshold for its approval since it represents a significant proportion of acquisition funds available to the Canberra Museum and Gallery. The Board also approves the purchase of objects or works of art for the Canberra Museum and Gallery Collection that are of a potentially controversial nature, or of exceptional cultural significance. It approves donations/gifts for the Canberra Museum and Gallery Collection that are over the value of \$22,000.
- (h) The Board approves proposals for sponsorship/subsidy of local community or cultural organisations by the CFC, where the arrangement provides a substantial financial benefit to the organisation, and a strategic benefit to the CFC, taking into account relevant policies such as the Theatre Programming Policy in making such decisions. A substantial financial benefit is defined as one valued at more than \$30,000 per annum.
- (i) The Board ensures that risks facing the CFC have been identified, assessed and that the risks are being properly managed.

### **A2.3 Policy**

- (a) The Board ensures that policies on key issues (including policies on exhibitions; collections; education/learning; theatre programming) are in place and are appropriate. The Board also reviews compliance with these policies.

### **A2.4 Legislative compliance**

- (a) The Board ensures compliance with applicable laws, including work health safety laws.

### **A2.5 Advisory committees**

- (a) The Board approves the Advisory Committee Charter and memberships of the three Advisory Committees.
- (b) The Board maintains continuing contact with the Advisory Committees, including by hosting at least one event a year for Committee members.

### **A2.6 Other matters**

- (a) The Board identifies opportunities for fundraising to support the facilities and activities of the CFC.
- (b) The Board approves and fosters an appropriate corporate culture matched to the CFC's values and strategies.

## **PART B FUNCTIONS OF BOARD MEMBERS**

### **B1. Overview**

B1.1 The Board has seven members as appointed under the *Financial Management Act 1996*, s 78, s 79 and s 80 (4). These include a Chair, a Deputy Chair and the Chief Executive Officer (CEO), who operate as the Executive of the Board. The role of the Board Executive is set out at Section B7.

### **B2. Board member functions**

B2.1 The primary function of each Board member is to optimise the CFC's performance, ensure good governance and ensure compliance with the CFC's legal responsibilities.

B2.2 In exercising the functions of a governing board member, a member must exercise the degree of honesty, care and diligence required to be exercised by a director of a corporation in relation to the affairs of the corporation.

B2.3 The responsibilities of members of the Board are set out in Part F – Position Descriptions for Board Members, Chair and Deputy Chair.

### **B3. Chair functions**

B3.1 The Chair of the Board has the following functions as stated in s 82 of the *Financial Management Act 1996* :

- (a) managing the affairs of the Board;
- (b) ensuring, as far as possible, that there is a good working relationship between the Board and management of the CFC; and
- (c) ensuring the responsible Minister is kept informed about the operations of the CFC.

B3.2 The responsibilities of the Chair are set out in Part F – Position Descriptions for Board Members, Chair and Deputy Chair.

### **B4. Deputy Chair functions**

B4.1 As stated in s.83 of the *Financial Management Act 1996*, if the Chair of the Board is absent or cannot for any reason exercise the functions of the Chair, the Deputy Chair of the Board must exercise the functions of the Chair.

B4.2 The responsibilities of the Deputy Chair are set out in Part F – Position Descriptions for Board Members, Chair and Deputy Chair.

### **B5. CEO functions**

B5.1 The CEO of the CFC has the following functions as stated in s 84 of the *Financial Management Act 1996* :

- (a) ensuring, as far as practicable, that the CFC's Statement of Intent is implemented effectively and efficiently;

- (b) managing the day-to-day operations of the CFC in accordance with –
  - (i) applicable governmental policies;
  - (ii) the policies of the CFC set by the Board; and
  - (iii) each legal requirement that applies to the CFC;
- (c) regularly advising the Board about the operation and financial performance of the CFC; and
- (d) immediately advising the Board about significant events. (Significant event means an event about which the CFC is required to advise the responsible Minister under s 101 of the *Financial Management Act 1996*.)

#### **B6. Separation of roles between the Chair and CEO**

While the Chair and the CEO work closely together, their roles are distinct. The differences in terms of responsibilities are described in the following table.

<b>Activity</b>	<b>Chair</b>	<b>CEO</b>
<b>Leadership and vision</b>	<ul style="list-style-type: none"> <li>• Ensures the Board provides leadership and vision to the CFC.</li> </ul>	<ul style="list-style-type: none"> <li>• Provides leadership to the staff of the CFC, especially in delivery of the organisational vision.</li> </ul>
<b>Relationship with Minister</b>	<ul style="list-style-type: none"> <li>• Ensures regular engagement e.g. through regular strategic meetings with the Minister and by inviting the Minister to Board meetings at least once a year.</li> <li>• Fosters positive relations e.g. through informal discussions at events.</li> <li>• Ensures the Minister is kept informed about the operations of the CFC including any significant events.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports Chair in ensuring regular engagement and positive relations with the Minister.</li> <li>• Ensures regular engagement and positive relations with the Minister's office.</li> <li>• Addresses any issues of concern arising from the Minister or the Minister's office, and judges whether they should be referred to the Chair.</li> <li>• Invites Minister to visit CFC sites as regularly as possible e.g. to attend personally tailored tours, open exhibitions, attend theatre opening nights, officiate at other events.</li> <li>• Supports the Chair in ensuring the Minister is kept informed about the operations of the CFC including any significant events.</li> </ul>
<b>Strategic and corporate plans, and performance indicators and targets</b>	<p>With the Board:</p> <ul style="list-style-type: none"> <li>• approves the CFC's strategic and corporate plans and the CFC's performance indicators and targets for its annual statement of intent; and</li> <li>• monitors performance against these.</li> </ul>	<ul style="list-style-type: none"> <li>• With staff, develops the CFC's strategic and corporate plans, and the performance indicators and targets for its annual statement of intent.</li> <li>• Oversights and reports on the achievement of the strategic and corporate plans and the performance targets.</li> </ul>
<b>Legal and policy framework</b>	<ul style="list-style-type: none"> <li>• Ensures a comprehensive policy framework for CFC is set, and that the CFC operates within policy parameters established by government and according to law.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures all actions comply with CFC policies and policy parameters established by government and according to law.</li> </ul>
<b>Financial oversight</b>	<ul style="list-style-type: none"> <li>• Leads the Board in ensuring appropriate oversight of the organisation's finances.</li> <li>• Ensures the Audit Committee of the Board is in place and reports to the Board.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures appropriate financial reporting to the Board.</li> <li>• Participates in, and ensures a high level of servicing of, the Audit Committee of the Board.</li> </ul>

<b>Activity</b>	<b>Chair</b>	<b>CEO</b>
<b>Operational activities - ongoing management of staff, resources, venues and programs</b>	<ul style="list-style-type: none"> <li>• Considers and advises on any operational issues the CEO believes the Board should be briefed about.</li> </ul>	<ul style="list-style-type: none"> <li>• Identifies to the Chair any operational issues the Board should be briefed about.</li> </ul>
<b>Board meetings</b>	<ul style="list-style-type: none"> <li>• Presides over Board meetings and directs Board discussions to effectively use the time available to address the critical issues facing the CFC.</li> </ul>	<p>In discussion with the Chair:</p> <ul style="list-style-type: none"> <li>• identifies ongoing and priority topics for discussion at Board meetings; and</li> <li>• drafts and coordinates documentation for Board meetings (agenda, papers, minutes).</li> </ul>
<b>Briefing of Board</b>	<ul style="list-style-type: none"> <li>• Makes certain that the Board has the necessary information to fulfill its functions and roles effectively.</li> </ul>	<ul style="list-style-type: none"> <li>• Ensures all necessary information is provided to the Chair/Board to inform effective decision making and actions.</li> <li>• Immediately advises the Board of any significant events.</li> </ul>
<b>Relationship between Chair and CEO</b>	<ul style="list-style-type: none"> <li>• Ensures there is a continuing and constructive relationship with the CEO and management.</li> <li>• Provides feedback from the Board on the CEO's ongoing and yearly performance.</li> </ul>	<ul style="list-style-type: none"> <li>• As the major point of contact between management and the Board, keeps the Chair fully informed about matters of interest to Board members.</li> <li>• Provides feedback to the Board, through the Chair, on the Board's performance.</li> </ul>
<b>Board effectiveness and development</b>	<ul style="list-style-type: none"> <li>• Guides the continuing effectiveness and development of the Board and individual members.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports the Chair to ensure Board effectiveness and ensures Board members have opportunity to access appropriate training and organisational information if required.</li> </ul>
<b>Evaluation of Board performance</b>	<ul style="list-style-type: none"> <li>• Leads the process of Board evaluation at least once every two years.</li> </ul>	<ul style="list-style-type: none"> <li>• Supports Chair in undertaking Board evaluation process.</li> </ul>
<b>Representation of the organisation</b>	<ul style="list-style-type: none"> <li>• Represents the Board in public fora and in the media on issues appropriate to the Chair role.</li> </ul>	<ul style="list-style-type: none"> <li>• Represents the CFC in public fora and in the media on issues appropriate to the CEO role.</li> </ul>
<b>Other responsibilities</b>	<ul style="list-style-type: none"> <li>• Other responsibilities as outlined in the Board Charter.</li> </ul>	<ul style="list-style-type: none"> <li>• Other responsibilities as delegated by the Board to the CEO.</li> </ul>

## **B7. Role of the Board Executive**

The role of the Board Executive is as follows.

- (a) Guide the conduct of Board meetings and facilitate the efficient use of time at Board meetings, including by meeting in advance of each Board meeting to discuss how the Board meeting could best be conducted.
- (b) Where agreed by the Board, represent the Board in discussions with external stakeholders when it would be impracticable for the whole Board to attend those discussions.
- (c) Progress any other matters referred to the Board Executive by the Board.
- (d) Report back to the Board on the operation of, and on any decisions taken by, the Board Executive.

## **PART C BOARD DIVERSITY, CAPABILITY AND DEVELOPMENT**

### **C1. Diversity of Board**

- C1.1 The Board is committed to diversity being a key part of the CFC's organisational culture, including at Board level, and acknowledges that, through diversity, capability is strengthened.
- C1.2 The Board endeavours to ensure that across its membership there is a gender balance, together with diversity in areas such as cultural and linguistic background, Aboriginality, age, disability and other personal attributes.
- C1.3 The Board recognises, however, that due to its small size it may not be possible to have all such attributes represented amongst its members, and that seeking diversity in the attributes of members of the CFC's three advisory committees provides a further means to ensure there is a variety of inputs into the work of the CFC.

### **C2. Board skills and competencies**

While noting that Board appointments are made by the Minister, the Board endeavours to ensure that, collectively, it has the appropriate level of skills and experience to properly fulfil its responsibilities. These include skills in the following areas : cultural; financial/accountancy; legal; governance; strategy; commercial/business; education; tourism; social inclusion; fundraising/philanthropy; communications; and marketing.

### **C3. Personal attributes**

The Board believes its effectiveness is enhanced if members demonstrate or possess the following personal attributes: integrity; a collaborative and team approach; curiosity to ask questions; courage to persist in robust discussions; respect for fellow Board members and staff; emotional intelligence, self-awareness and self-management; empathetic approach manifested through strong interpersonal skills; commercial judgement and instinct; ability to assimilate and synthesise complex information; ability to actively contribute, with a genuine interest in the CFC and its operations

### **C4. Individual support for the CFC**

The Board encourages its members to consider donating to the CFC in order to provide financial support for specific projects. It is recognised, however, that it is for each member to decide on this in accordance with their individual circumstances, and that there are a range of other ways in which members support CFC's work.

### **C5. Board induction, training and development**

- C5.1 Board members are given appropriate induction training on appointment.
- C5.2 Board members are provided with continuing opportunities to develop their knowledge and understanding of CFC's functions, particularly through interaction with the CEO, senior members of staff and the three Advisory Committees.
- C5.3 The CFC is a complex organisation with three main programming areas and five different venues, each with their own strategies, functions and programs. To ensure

they are as informed as possible, Board members are expected to attend activities and programs across CFC's different venues on a regular basis.

## **PART D BOARD OPERATIONS**

### **D1. Meetings of the Board**

- D1.1 The Board meets six times annually. Additional meetings may be called if deemed necessary by the Chair and/or CEO, or if asked by the Minister or at least two members.
- D1.2 The Chair must give the other members reasonable notice of the time and place of a meeting called by the Chair.
- D1.3 The majority of Board meetings take place in the Board Room, Canberra Museum and Gallery, Level 1, North Building, London Circuit, Civic. Every year a meeting may also be held at two of the CFC's other venues: Lanyon Homestead and Mugga-Mugga.
- D1.4 If the Chair and Deputy Chair are absent, or if the Chair is absent and there is no Deputy Chair, the member chosen by the members present presides. However, the members must not choose the CEO to preside.
- D1.5 Prior to each Board meeting, the Executive of the Board (the Chair, Deputy Chair and CEO) will meet, as appropriate, to prepare for the meeting.

### **D2. Quorum**

- D2.1 A quorum is reached when a majority of appointed members, at any given time, are present.

### **D3. Minutes and Minutes Secretary**

- D3.1 In conjunction with the CEO, the Minutes Secretary is responsible for the following.
- (a) Ensuring that the Board agenda is developed in a timely and effective manner for review and approval by the Chair.
  - (b) Ensuring that Board papers are developed in a timely and effective manner.
  - (c) Coordinating, organising and attending meetings of the Board and ensuring the correct procedures are followed.
  - (d) Drafting and maintaining minutes of Board meetings.
- D3.2 Proceedings of all meetings are minuted, and are signed by the Chair of the meeting.
- D3.3 Minutes of all Board meetings are circulated to members and approved by the Board at the subsequent meeting.

## **PART E BOARD CODE OF CONDUCT**

### **E1. Introduction**

- E1.1 The Board of the CFC is committed to conducting the CFC's business in a way that is open and accountable to stakeholders and the wider community. The Board believes that the CFC's governance practices should be rigorous and of a high standard.
- E1.2 The Board models and fosters an appropriate corporate culture matched to the CFC's values.

### **E2. Purpose of the Code**

- E2.1 Board members are bound by the following ethical and behavioural obligations.

### **E3. Primary obligations of Code**

- E3.1 Board members must :

- (a) act honestly, in good faith and in the best interests of the CFC as a whole;
- (b) demonstrate their duty to use due care and diligence in fulfilling their functions and exercising powers;
- (c) keep abreast of best practices in corporate governance and implement such practices as are appropriate for the CFC; and
- (d) use their authority and available resources and information only for the work-related purpose intended.

- E3.2 These obligations include :

- (a) recognising that the Board's primary responsibility is to meet the statutory obligations and the goals and targets agreed with the responsible Minister, but with regard to broader responsibilities to serve the community;
- (b) demonstrating independent judgement and actions and taking all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board;
- (c) understanding the cultural, financial, commercial and functional aspects of the CFC to ensure diligence in deliberations and decision-making;
- (d) ensuring high levels of confidentiality, including making only proper use of information acquired as a Board member;
- (e) not taking improper advantage of the position of a Board member;
- (f) not accepting gifts or benefits that could lead to an actual or perceived financial or moral obligation to other organisations or to individuals (refer to the CFC's Chief Executive Financial Instruction on gifts, which applies to Board Members);
- (g) not allowing personal interests or the interests of any associated person to conflict with the interests of the CFC (refer also to Section E5 below);
- (h) complying with the spirit as well as the letter of statutory and other obligations;
- (i) ensuring that confidential information received by a Board member in the course of the exercise of Board member duties remains the property of the CFC, recognising that it is improper to disclose it, or allow it to be disclosed, unless that disclosure has been authorised by the CFC, or the person from whom the information is provided, or is required by law; and
- (j) undertaking evaluation of the Board at least once every two years to ensure continuing performance improvements.

#### **E4. Protection of the reputation of the CFC**

- E4.1 Board members must not do anything which would be likely to negatively affect the CFC's reputation.

#### **E5. Conflict of Interest and Declaration/Disclosure of Interest**

- E5.1 As stated in s 86 of the *Financial Management Act 1996*, a Board member must take all reasonable steps to avoid being placed in a position where a conflict of interest arises during the exercise of the member's functions.
- E5.2 Board members must provide an Annual Declaration of Interest to all other members, in a prescribed format, usually at the first Board meeting of each calendar year.
- E5.3 The agenda for each meeting of the Board must include an item requiring any material interest in an issue to be considered at the meeting to be disclosed to the meeting. Details of any interests should be appropriately minuted.

#### **E6. Attendance and conduct at meetings**

- E6.1 Board members must attend all meetings of the Board and of those Sub-Committees of which they are a member, as far as possible. Board members must allow the necessary time to prepare for these meetings.
- E6.2 At Board meetings, Board members are expected to be open to new ideas and different views. They are also expected to be probing and challenging in their deliberations.
- E6.3 To ensure an appropriate focus on Board deliberations, it is important that an environment free from distractions is maintained, including keeping meetings free from interruptions due to the use of mobile devices.

#### **E7. Obligation to comply with Code**

- E7.1 Board members must adhere to the Code both in letter and in spirit. Adherence to the Code is a condition of appointment to the Board.
- E7.2 Violation of the Code by any member, or unethical behaviour which may affect the reputation of the CFC, may be subject to disciplinary action including termination of appointment. (Refer to Section 81 of the *Financial Management Act 1996*.)
- E7.3 Board members must also adhere to the ACT Public Service Code of Conduct, made by the Commissioner for Public Administration under the *Public Sector Management Standards 2006*.

#### **E8. Communications**

- E8.1 It is important that Board decisions are collective, and that individual Board members are not drawn into adopting a position on issues that could compromise the Board's overall approach. Board members therefore must:
- (a) not make any authorised public statements relating to the business of the CFC;  
and
  - (b) support the formal decisions of the Board made in its meetings.

- E8.2 In situations where a stakeholder or other interested party raises an issue with, or presents a case to, a Board member, the Board must:
- (a) avoid committing the Board to any specific action prior to due consideration by the Board or the Chair or CEO as appropriate;
  - (b) explain that the Board has agreed protocols for managing any issues raised and that Board members are obliged to respect collective decision-making by the Board;
  - (c) clarify whether the matter has been raised with the Chair or CEO;
  - (d) agree to communicate the issue raised with the Chair, CEO or Board as appropriate;
  - (e) offer either to provide feedback at a later date or to ensure that the Chair or CEO provides such feedback; and
  - (f) communicate the issue to the Chair or CEO.
- E8.3 In situations where a member of staff raises an issue with, or presents a case to, a Board member, the Board member must draw the matter to the attention of the CEO, or if the matter relates to the CEO, to the attention of the Chair.

## **PART F POSITION DESCRIPTIONS FOR BOARD MEMBERS, CHAIR AND DEPUTY CHAIR**

### **F1. Main responsibilities of all Board members**

#### **F1.1 Responsibilities on appointment**

- (a) Participate in appropriate induction activities including by :
- reading the Board Charter; the *Cultural Facilities Corporation Act 1997*; and relevant provisions (i.e. Part 9, Divisions 9.1 – 9.5 Governance of Territory Authorities) of the *Financial Management Act 1996*;
  - attending an initial briefing about the work of the Board provided by the Chair and CEO; and
  - scheduling visits to each one of the CFC's sites.

#### **F1.2 Continuing responsibilities**

- (a) Take the time to prepare adequately for each meeting of the Board by studying the papers for the meeting carefully and, in undertaking this preparation, applying good analytical skills, objectivity and good judgement.
- (b) Attend and participate in each meeting of the Board, and:
- at the outset of the meeting, declare any interest relating to agenda items or topics; and
  - during the meeting, express opinions frankly, ask questions that go to the fundamental core of the issue, and pursue independent lines of enquiry.
- (c) Respond to urgent out-of-session matters requiring Board attention as they arise; for example, consideration of time-critical proposals for art acquisitions or theatre shows; clearance of draft submissions by the Board to meet external timeframes; and other matters requiring immediate attention.
- (d) Attend activities across the CFC's different venues on a regular basis, in order to increase the Board member's knowledge of the CFC's functions, represent the CFC, assist in hosting VIP guests at events, and connect with current and potential donors, sponsors and supporters of the CFC.
- (e) Seek any further information necessary to understand matters for which the Board is responsible.
- (f) Undertake any further training necessary to undertake responsibilities as a member of the Board, at the CFC's expense.
- (g) Participate in assessments of the performance of the Board, at least once every two years.
- (h) Under the *Public Interest Disclosure Act 2012*, receive any public interest disclosure made to a member of the Board, which, if made orally, is then recorded in writing, and then give a copy to the CEO for investigation.
- (i) Undertake other responsibilities, in accordance with the Board Charter.

### **F2. Additional responsibilities of the Chair**

F2.1 The occupant of the Chair position is generally a person with previous board experience and has the ability to provide leadership to the Board, manage the affairs of the board and chair Board meetings.

F2.2 The Chair of the Board has the following responsibilities additional to those of a Board member.

- (a) Provide leadership to the Board, ensuring it fulfils its responsibilities for the governance of the CFC and that the Minister is kept informed about the operations of the CFC.
- (b) Manage the affairs of the Board, including chairing Board meetings, participating in meetings of the Executive of the Board, signing correspondence on behalf of the Board, making speeches, and undertaking other representational duties for the Board.
- (c) Provide mentorship to the CEO and help the CEO to achieve the CFC's mission.
- (d) Ensure, as far as possible, that there is a good working relationship between the Board and management of the CFC.

**F3. Additional responsibilities of the Deputy Chair**

- F3.1 The Deputy Chair is generally a member who has previous board experience and has the ability to deputise for the Chair of the Board, as required.
- F3.2 The Deputy Chair of the Board has the following responsibilities additional to those of a Board member.
  - (a) Assist and support the Chair in providing leadership to the Board and managing the affairs of the Board, including by participating in meetings of the Executive of the Board.
  - (b) Exercise the duties of the Chair if the Chair of the Board is absent or cannot for any reason exercise the functions of the Chair.

## **PART G AUDIT COMMITTEE**

### **G1. Introduction**

- G1.1 The Board has established the Audit Committee (“the Committee”) as a Sub-Committee.
- G1.2 This Part sets out the Committee’s objectives, authority, composition and tenure, roles and responsibilities, reporting, administrative and review arrangements.

### **G2. Objective**

- G2.1 The objective of the Committee is to provide independent assurance and assistance to the Board on the CFC’s financial management, risk, control and compliance framework, and its external accountability responsibilities.

### **G3. Authority**

- G3.1 The Board authorises the Committee, within the scope of its role and responsibilities, to:
- (a) obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
  - (b) discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
  - (c) request the attendance of any employee, or Board member, at Committee meetings; and
  - (d) obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the CFC’s expense.

### **G4. Composition and tenure**

- G4.1 The Board appoints Committee members.
- G4.2 The Committee consists of a minimum of two, and a maximum of four, members.
- G4.3 The members, taken collectively, have a broad range of skills and expertise relevant to the operations of the CFC. At least one member of the Committee, preferably the Chair, has accounting or related financial management experience, with an understanding of accounting and auditing standards in a public sector environment.
- G4.4 The Committee membership includes at least two, and not more than four, members drawn from the membership of the Board, one of whom is the CEO. The Chair of the Board may be a member. These Members are called “Internal Members.”
- G4.5 The Committee may also include one member who is not a member of the Board or staff of the CFC but has accounting or related financial management experience, with an understanding of accounting and auditing standards in a public sector environment. If appointed, this member is called an “External Member”.
- G4.6 The Board appoints, as Chair of the Committee, a Committee member other than the CEO or the Chair of the Board.
- G4.7 If the need arises, the Committee chooses an Acting Chair. The Acting Chair must not be the CEO but may be the Chair of the Board in certain circumstances; for

example, where there are no members present at a meeting other than the CEO and the Chair of the Board.

- G4.8 While the Chair or Acting Chair of the Committee is usually an Internal Member, in certain circumstances an External Member may be appointed to this role; for example, where there is no Internal Member with accounting or related financial management experience, with an understanding of accounting and auditing standards in a public sector environment.
- G4.9 Internal Members are appointed for an initial period not exceeding the length of their appointment to the Board, after which they are eligible for reappointment, if they are reappointed to the Board itself, and subject to satisfactory performance. An External Member, if appointed, is appointed for a period of time determined by the Board.

## **G5. General role and responsibilities of the Committee**

- G5.1 The Committee has no executive powers, unless delegated to it by the Board.
- G5.2 The Committee is directly responsible and accountable to the Board for the exercise of its responsibilities. In carrying out its responsibilities, the Committee at all times recognises that primary responsibility for management of the CFC rests with the CEO.
- G5.3 The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the Board from time to time.

## **G6. Specific responsibilities of the Committee**

### **G6.1 Financial management**

- (a) Review the financial performance of the CFC in months where no Board meeting occurs and draw to the Board's attention any financial or budgetary matters requiring particular consideration
- (b) Approve the business case for capital or other strategic projects, which require an initial investment from internal funds of between \$50,000 and \$100,000, referring any projects about this level to the Board.
- (c) Oversee significant plans with a major financial focus e.g. the Asset Management Plan.

### **G6.2 Risk management**

- (a) Review whether management has in place a current and comprehensive risk management framework, including through the CFC's Strategic Risk Management Plan and associated policies, plans and procedures for effective identification and management of the CFC's :
  - financial and business risks, including by monitoring insurance arrangements; and
  - business continuity planning arrangements, including periodic testing of disaster recovery plans.
- (b) Review the CFC's Fraud Control Plan and ensure the CFC has appropriate processes and systems in place to capture and effectively investigate fraud related information.

### **G6.3 Control framework**

- (a) Review whether management has in place a current and effective internal control framework, and associated policies and procedures, including through :
- checking that the CFC's Chief Executive Financial Instructions are periodically reviewed and updated;
  - monitoring whether appropriate policies and procedures are in place for the management and exercise of delegations; and
  - reviewing whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour.

### **G6.4 External accountability**

- (a) In relation to the annual **financial statements** :
- review the draft statements;
  - ensure that the financial statements are supported by appropriate management signoff on the statements and on the adequacy of the systems of internal controls;
  - provide advice to the Board, including as to whether appropriate action has been taken in response to audit recommendations and adjustments;
  - recommend their signing by the Chair of the Board; and
  - review the processes in place to ensure that financial information included in the CFC's annual report is consistent with the signed financial statements.
- (b) In relation to the annual **Statement of Performance** :
- review the draft Statement;
  - ensure that the Statement addresses any relevant audit recommendations;
  - ensure the Statement is supported by appropriate internal controls; and
  - recommend its signing by the Chair of the Board.

### **G6.5 Legislative compliance**

- (a) Review the effectiveness of the system for monitoring the CFC's compliance with relevant laws, regulations and associated government policies.

### **G6.6 Internal audit**

- (a) Act as a forum for communication between the Board, senior management and internal audit.
- (b) Oversee preparation of the annual work plan for internal audit.
- (c) Ensure that adequate resources are provided for internal audit, including for completion of the annual internal audit plan.
- (d) Review internal audit reports and provide advice to the Board on any significant issues identified in these reports and action taken to address issues raised.
- (e) Monitor management's implementation of internal audit recommendations.
- (f) Periodically review the performance of internal audit.

### **G6.7 External audit**

- (a) Act as a forum for communication between the Board, senior management and external audit.

- (b) Provide input and feedback on the financial statement and performance audit coverage proposed by external audit, and provide feedback on the audit services provided.
- (c) Review plans and reports in respect of planned or completed external audits and monitor adherence to plans and implementation of audit recommendations.
- (d) Provide advice to the Board on action taken on any significant issues raised in relevant external audit reports and better practice guides.

## **G7. Responsibilities of Members**

G7.1 The responsibilities of members of the Committee are set out in G16 – Position Description for Audit Committee Members.

## **G8. Reporting**

G8.1 The Committee reports to the Board on its operations, by providing the draft minutes of its most recent meeting to each Board meeting.

G8.2 The Committee may, at any time, report to the Board any other matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the Chair of the Board.

## **G9. Meetings**

G9.1 The Committee meets every two months, normally during months that the Board does not meet. A special meeting may be held to review the CFC's annual financial statements.

G9.2 Each meeting agenda includes the following standard sections as a minimum : Members' Disclosures of Interests; Minutes and Actions Arising; Finance and Budgetary; Risk Management, Audit and Compliance; Other Business; and Next Meeting.

G9.3 Meetings are held in person, by telephone or by video conference.

G9.4 The Chair of the Committee must call a meeting if asked to do so by the Board, or another Committee member.

## **G10. Attendance at meetings and quorum**

G10.1 A quorum consists of a majority of Committee members.

G10.2 The Chief Finance Officer (CFO) and other relevant finance staff (as required) attend each meeting. The Committee may also direct (when deemed appropriate) that the CFO or other employees not attend Committee meetings or not participate in certain agenda items.

G10.3 An external audit representative is invited to attend each meeting.

G10.4 An internal audit representative may be invited to attend any meeting.

G10.5 The Chair of the Board and/or other Board members, and any CFC staff may be invited to attend Committee meetings to participate in specific discussions or provide strategic briefings to the Committee.

## **G11. Secretariat and minutes**

G11.1 The CFO arranges secretariat support to the Committee.

G11.2 The CFO ensures that agenda papers for each meeting are circulated at least two days before the meeting.

G11.3 The CFO ensures that minutes of each meeting are : prepared; maintained; approved by the Chair; and accepted as a true record at the next meeting.

## **G12. Conflict of interest**

G12.1 Each Committee agenda includes as the first agenda item : *Members' Disclosure of Interest*. Members must declare under that item any interests relating to agenda items or topics. Details of any interests are appropriately minuted.

G12.2 Where members or observers at Committee meetings are deemed to have a real, or perceived, conflict of interest, it may be appropriate to excuse them from Committee deliberations on the issue where a conflict of interest exists.

## **G13. Induction and continuing development**

G13.1 New members receive relevant information and briefings to assist them in meeting their Committee responsibilities, including on existing and emerging risks, developments in the areas of auditing and accounting standards, financial reporting and the environment in which the CFC operates. In addition to information/briefings arranged by management, members may discuss with the CEO any further requirements they have for information/briefings; for example, members may request a briefing on a particular topic prior to a Committee meeting, to assist them in participating at that meeting.

G13.2 All members have an opportunity to attend training, paid for by the CFC, to assist them in continuing to meet their Committee responsibilities. Members may discuss any training they wish to undertake with the CEO.

## **G14. Review of the Committee's performance**

G14.1 The Chair of the Committee conducts a review of the performance of the Committee at least once every two years.

G14.2 The review is conducted on a self-assessment basis, unless otherwise determined by the Board.

G14.3 The Chair reports to the Board on the outcome of the review.

## **G15. Review of Part G**

G15.1 The Committee reviews Part G each year, prior to the Board's review of the entire Board Charter.

G15.2 Any changes to Part G are recommended by the Committee to the Board for formal approval, as part of the updating of the Board Charter.

## **G16. Position Description for Audit Committee Members**

### **G16.1 Duties on appointment**

- (a) Read the Board Charter; the *Cultural Facilities Corporation Act 1997*; and relevant provisions (i.e. Part 9, Divisions 9.1 – 9.5 *Governance of Territory Authorities*) of the *Financial Management Act 1996*.
- (b) Attend an initial briefing about the work of the Audit Committee and about the financial management, audit and compliance framework of the CFC, provided by the CFO.

### **G16.2 Continuing duties**

- (a) Take the time to prepare adequately for each meeting of the Audit Committee by studying the papers for the meeting carefully and, in undertaking this preparation, by applying good analytical skills, objectivity and good judgement.
- (b) Attend each meeting of the Audit Committee.
- (c) At each meeting of the Audit Committee, declare any interest relating to agenda items or topics.
- (d) At each meeting of the Audit Committee, express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of enquiry.
- (e) Seek any further information necessary to understand matters for which the Audit Committee is responsible, including by :
  - obtaining information from any employee or external party;
  - discussing any matters with the external auditors or other external parties;
  - requesting the attendance of any employee or Board member at Committee meetings; and
  - obtaining external legal or other professional advice, at the CFC's expense.
- (f) Seek any further training necessary to undertake responsibilities as a member of the Audit Committee, at the CFC's expense.
- (g) Ensure that the Board is provided with accurate reports about the work of the Audit Committee.
- (h) Participate in assessments of the performance of the Audit Committee, at least once every two years.
- (i) Participate in annual reviews of Part G.
- (j) Undertake other responsibilities as an Audit Committee member, in accordance with Part G.

## **PART H PUBLICATION AND REVIEW OF CHARTER**

- H1. The Board reviews its Charter annually to ensure it remains consistent with the Board's objectives and responsibilities.
- H2. Key features of the Board Charter are outlined in the CFC's annual report.
- H3. A copy of the Charter is available on <http://www.culturalfacilities.act.gov.au/>