

Essendon Football Club Audit, Risk & Integrity Committee Charter

1. Foundation

1.1 Purpose

The Essendon Football Club Audit, Risk & Integrity Committee ('the **Committee**'), assists the Board in fulfilling its oversight responsibilities relating to:

- the preparation and integrity of the Club's financial accounts and statements;
- internal controls, policies and procedures that the Club uses to identify and manage business risks;
- the Club's insurance and risk management programs;
- significant Club related regulatory and compliance issues, compliance with laws, AFL and other relevant regulations and the Club's internal policies and procedures.

1.2 Authority

The Board has authorised the Committee, within the scope of its duties and responsibilities set out in this charter to:

- perform the activities required to address its responsibilities and make recommendations to the CEO and Board;
- select, engage and approve fees for any professional advisers that the Committee may require to carry out its duties;
- liaise with relevant AFL officials;
- require written reports, documentation and submissions from any Club Official as appropriate;
- require the attendance of any Club manager or staff member at meetings as appropriate;
- have unrestricted access to management, employees and information it considers relevant to its responsibilities under this charter;
- liaise with and request attendance of the external auditor, or other relevant external advisors.

1.3 Membership

The Committee will have a minimum of three members (including the Chairman of the Committee), who are each Directors of the Essendon Football Club.

In addition, the Committee will have an Advisory Group of independent members, who will be required to attend at least two committee meetings per year. The Advisory Group members will have no other specific management role within the Club. They will be selected on the basis of their expertise and knowledge of current and emerging issues in areas relevant to the integrity of the Club's operations. These will include:

- medical issues
- law enforcement issues;
- other relevant legal issues in the context of risk to the Club and its staff and players.

The inaugural Advisory Group members are listed in Appendix 2.

The Committee Secretary will be the Manager – Legal, Integrity & Compliance or, in his or her absence, the Chief Financial Officer.

The Committee composition, including the appointment of Chairman and Secretary, will be reviewed annually by the Board of the Club, although changes may be made throughout the year with endorsement of the Board. The same applies to the composition of the Advisory Group.

Where the Chairman of the Committee is absent from a meeting, the Committee Members present must appoint a Chairman for that particular meeting.

1.4 Meetings

The Committee must meet at least four times per year and participants may attend by video conference and/or teleconference.

The Board Chairman, any Committee Member (including Advisory Group Members), Chief Executive Officer of the Club, any other member of the Executive, the General Manager – Legal, Integrity & Compliance or the Club Doctor may call a meeting of the Committee.

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

1.5 Meeting Attendance

Any person may be invited by the Committee Chairman to attend meetings of the Committee, but not necessarily for the full duration of the meeting. A standing invitation shall be issued to:

- Chief Executive Officer
- General Manager – Football Operations
- Club Doctor(s)
- Chief Financial Officer
- Player Welfare Manager
- Manager – People & Culture

Other management & independent representatives may be invited to meetings as required.

1.6 Quorum and Voting

Two Members of the Committee who are Directors of the Essendon Football Club will constitute a quorum.

The Chairman of the Committee will not have a second or casting vote.

1.7 Minutes

Minutes of each Committee meeting must be kept and after the Chairman of the Committee has given preliminary approval, the draft minutes should be circulated to all Committee members and included in the papers for the next regular Board meeting.

1.8 Reviews

The Committee will review its performance annually for discussion with the Board Chairman. As part of this review it will confirm that it has fulfilled all of its responsibilities under its charter.

The Committee will review at least annually the Committee charter and recommend to the Board for approval any appropriate amendments.

2. Duties and Responsibilities

In assisting the Board in fulfilling its responsibilities, the duties of the Committee cover the following areas:

2.1 Financial Reporting, Audit, Internal Controls & Risk

2.1.1 Assessment of Financial Information

- Review any significant accounting and reporting issues/policies and understand their effects on the Club's financial statements.
- Review the annual financial statements of the Club (in conjunction with Management and the External Auditor) with a view to recommending these statements to the Board for its approval.
- Review, at least annually, the written attestations provided by the Chief Executive Officer and Chief Financial Officer and other relevant officials.

2.1.2 Oversight of External Audit Function

- Make recommendations to the Board regarding the engagement, evaluation and (where appropriate) dismissal, of the External Auditor (including independence matters).
- Review and approve the External Auditor's proposed audit plan and audit approach, including materiality levels.
- Review and agree on the terms of engagement and the audit fees for the External Auditor prior to the commencement of each audit.
- Review the External Auditor's summary management report, detailing the results and significant findings from the audit, and management responses.
- Liaise directly with the External Auditor, as appropriate.
- Approve any additional assignments to be conducted by the External Auditor.

2.1.3 Oversight of Management of Business Risks, Internal Controls and Insurance

- Make recommendations to the Board with regard to risk management policies and procedures and oversee the risk management system and its resourcing.
- Review the operational effectiveness of the policies and procedures relating to risk and the Club's internal control environment.
- Review the company's risk register, including actions taken to manage/minimise risk and present the risk register annually to the Board.
- Review the implementation and effectiveness of the Club's insurance program.

2.2 Integrity & Regulatory Oversight

2.2.1 General Oversight of Policies and Compliance

- Recommend internal policies and procedures to the Board and Management, in order to facilitate achievement of the Club's compliance objectives.
- Review any material correspondence from regulatory bodies regarding substantial issues.
- Recommend to the Board (and monitor the implementation of) policies and procedures for the notification of material developments in relation to potential litigation, regulatory actions or non-compliance.
- Review the status of the Club's compliance with relevant laws, regulations, and internal or external policies and procedures.
- Review and oversee compliance with AFL rules and regulations.

- Ensure that an appropriate education regime is put in place for the Board, management and all officials of the Club to engender a thorough understanding of their regulatory obligations.
- Review policies and compliance with regard to draft, player transfers and free agency and player de-listings.

2.2.2 Anti-doping code and Illicit Drugs Policy

- Oversee the Club's compliance with its medical protocols and the AFL's anti-doping code and illicit drugs policy.
- Review policies and procedures and associated compliance with regard to specific AFL rules, including but not limited to: AFL's Treatment Rules (including Prohibited and Controlled Treatments); no needles policy; maintenance of substance and treatment registers and safe storage; reporting of any approaches and incidents of potential doping.

2.2.3 Medical Protocols

- Review policy and framework regarding the storage and purchase of medical supplies, medical services and supplements and ensure compliance with all AFL Rules and Codes.
- Review documentary evidence of these procedures and associated compliance.

2.2.4 Gambling Regulations

- Oversee the Club's compliance with the AFL's Gambling Regulations, including policies and procedures and associated education programs.
- Review and ensure the Club's compliance with the AFL's Match Day policies including Access and Mobile phone rules.

2.2.5 Personal Conduct

- Oversee the Club's systems to ensure compliance with its key policies and code of conduct , including policies associated with:
 - Racial and religious vilification
 - Respect and responsibility
 - Responsible use of alcohol
 - Any other policy or procedure as deemed necessary
- Ensure appropriate education and awareness programs are run and successfully completed and maintained.
- Review the handling by staff and players of any incidents and non - compliance

2.2.6 Human Resource Processes

- Review and ensure compliance with appropriate HR processes for ensuring registration requirements are met for all identified employees within the football Club and also for vetting new employees in relation to integrity, which includes relevant police and background checks.
- Review documentary evidence of these procedures and associated compliance.
- Ensure every employee is to receive an induction package and/or training on commencement of employment.

2.2.7 Compliance

- Ensure there is a policy in place for the Chief Executive Officer, Board Chairman or Committee Chairman to be immediately informed of any issue of significant non-compliance or potential litigation.

2.2.8 Whistle-blower Access

- In addition to the Club's whistle-blower policy, the Committee will ensure that staff or players have the capability to raise, directly with the Committee Chairman, any issues or concerns regarding integrity within the Club.
- The Committee Chairman will ensure that the CEO and Director of Football appropriately educate staff and players about the role of the Committee and associated integrity management. The CEO will ensure that staff and players are aware of their ability and responsibility to raise any issues or concerns with the Committee Chairman and will ensure that relevant contact details are readily available.
- The Committee will promote awareness of the AFL whistle-blower policy and procedures to ensure all AFL registered officials understand their rights and responsibilities including their right to remain anonymous.

2.2.9 Emerging Issues

- Review with appropriate experts (including Independent Committee Members) current and emerging issues in relation to medical, law enforcement, legal and general issues which could affect the Club and its employees.
- Obtain input from AFL Integrity Officer on current and emerging issues which the AFL regards as high risk.

2.3 Reporting

- The Committee Chairman will report to the Board Chairman (with a copy to the Chief Executive Officer) on the Committee meetings regarding all relevant matters and appropriate recommendations in a written report (with supporting material) for noting or approval. Such reports will also be tabled with the Club Board.
- The Committee Chairman will ensure that the Chief Executive Officer, Board Chairman and Board are immediately informed of matters that may impact on the risk profile, financial condition or reputation of the Club.
- The Committee Chairman will consult from time to time with the CEO and other directors to seek input on management issues. The CEO and Director of Football are asked to adopt a "no surprises" approach and to alert the Committee Chairman as to any event or incident that may require Committee attention. The CEO and Director of Football are to put in place appropriate protocols at all levels of management within the Club to ensure that events, incidents or processes that are of concern are able to be escalated for action as and when required.
- The committee will ensure that within an appropriate time that is deemed necessary but no later than (4) hours notify the AFL of matters that may impact on the risk profile, financial condition or reputation of the Club and or the AFL.

Appendix 1: EFC Audit, Risk and Integrity Committee Annual Agenda

Scheduled meetings:

	March / April	June	Sep	Nov
Foundation				
Review Audit and Risk Committee charter, Annual Agenda and Calendar	✓			
Committee Chair to establish meeting agenda and required attendees	✓	✓	✓	✓
Review any potential conflicts of interest or related party transactions	✓	✓	✓	✓
2.1 Financial Reporting, Audit, Internal Controls & Risk				
2.1.1 Assessment of Financial Information				
Review significant accounting and reporting issues			✓	✓
Review financial matters affecting the year end			✓	✓
Review and approve annual financial statements				✓
Review attestations of the Chief Executive Officer and Chief Financial Officer for financial reporting				✓
Review with Management its evaluation of the Club's internal control structure and procedures for financial reporting, including any significant deficiencies or material weaknesses			✓	✓
Review any potential conflicts of interest or related party transactions	✓	✓	✓	✓
2.1.2 External Auditors				
Recommend appointment and review performance				✓
Review audit plan, proposed fees, scope of audit work and any changes thereto			✓	
Review and pre-approve non-audit services	As required			
Consider objectivity / independence and obtain confirmation from External Auditor			✓	
Discuss appropriateness of accounting policies, estimates and judgements			✓	✓
Review External Auditors' report on control environment, including fraud risk management, and assess Management's response.			✓	✓
Resolve any disagreement between Management and the External Auditor in the financial reporting and report any significant issues to the Board			✓	✓
Discuss issues with External Auditor in the absence of Management			✓	✓
2.1.3 Business Risk, Internal Controls & Insurance				
Review and monitor business risks and internal controls and policies and report to the Board	✓	✓		
Review insurance activities and adequacy	✓	✓		
2.2 Integrity & Regulatory Oversight				
2.2.1 General Oversight of Policies & Compliance	✓	✓	✓	✓
2.2.2 Anti-doping Code & Illicit Drugs Policy	✓			
2.2.3 Medical Protocols	✓			
2.2.4 Gambling Regulations	✓			
2.2.5 Personal Conduct	✓	✓		
2.2.6 Human Resource Processes		✓		
2.2.7 Compliance		✓		
2.2.8 Whistle-blower Access		✓		
2.2.9 Emerging Issues	✓	✓	✓	✓
2.3 Reporting	✓	✓	✓	✓