



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; and
- 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

Unless the Board resolves otherwise, the Committee will have a minimum of three members (including the Chair of the Committee) who will each be Directors of the Club and will be appointed by the Board.

In addition, the Committee may have an Advisory Group, each member of which will normally be expected 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 by the Board 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 may include:

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

The Committee will have a Secretary, who will be appointed by the Board.

The Committee composition, including the appointment of Chair and Secretary, will be reviewed annually by the Board, 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 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).

1.4 Meetings

The Committee must meet at least four times per year (two of which may be dedicated to finance and audit matters) and participants may attend by video conference and/or teleconference.

The Board Chairman, any Committee Member, any Advisory Group Members, the Chief Executive Officer of the Club, any other member of the Executive, the Integrity Officer or a Club Doctor may call a meeting of the Committee.

The Secretary will prepare agendas following discussions with the Chair 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 Chair 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
- Club Doctor(s)
- Chief Financial Officer
- Player Welfare Manager
- General Manager People & Culture

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

1.6 Quorum and Voting

Unless otherwise resolved by the Board, two Members of the Committee who are Directors of the Essendon Football Club will constitute a quorum.

The Chair 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 Chair 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 its responsibilities under this Charter.

The Committee will review this Charter at least annually 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 Club’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 & Compliance Oversight

2.2.1 Oversight of Integrity & Personal Conduct Risks, Policies and Compliance

- Review the status of the Club’s compliance with relevant laws, regulations, and internal or external policies and procedures.
- Review compliance with AFL rules and regulations.
- Recommend internal policies and procedures to the Board and Management in order to facilitate achievement of the Club’s compliance objectives.
- Ensure that an appropriate education regime is put in place for the Board, management, players, other employees, volunteers and officials of the Club to assist them to understand their obligations.
- Review with appropriate experts (including Advisory Group 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 the AFL Integrity and Security Department on current and emerging issues which the AFL regards as high risk.
- Review any material correspondence from regulatory bodies regarding substantial issues.
- Receive and review the annual audit of Total Player Payments (TPP) compliance.
- The areas to be considered by the Committee each year shall be determined by the Chair (or by resolution of the Committee) and may include, but will not be limited to, the following:

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

- Oversee 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.
- Review policies and procedures and associated compliance with regard to specific AFL rules, including but not limited to the AFL’s Treatment Rules (including Prohibited and Controlled Treatments; no needles policy; maintenance of substance and treatment registers and safe storage).

(b) Gambling Regulations

- Oversee the Club’s compliance with the AFL’s Anti-Corruption and Gambling Regulations, including policies and procedures and associated education programs.

(c) Personal Conduct

- Oversee the Club’s systems to ensure compliance with its key policies and code of conduct, including education and awareness programs and policies and procedures associated with:

- Racial and religious vilification
- Respect and responsibility
- Responsible use of alcohol
- Any other policy or procedure as deemed necessary
- Review the handling by staff, players and volunteers of incidents and non-compliance.

2.2.2 AFL Registration, Background Checks and Induction Procedures

- 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.
- Review induction and/or training practices and procedures for new personnel.

2.2.3 Whistleblower Access

- Report on any whistleblower reports received by any member of the Committee or through other designated reporting channels.
- Ensure that staff or players have the capability to raise, directly with the Committee Chair (and other individuals nominated by the Committee), any issues or concerns regarding integrity within the Club.
- The CEO will ensure that 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 CEO, General Manager – People & Culture or Integrity Officer and will ensure that relevant contact details are readily available.
- Monitor the promotion of awareness of the AFL's whistle-blower channels to staff and players.

2.3 Reporting

- The Committee Chair will report to the Board in respect of each meeting and will ensure that the minutes of each meeting are distributed to the Board
- The Committee Chair will inform the Chairman of the Club as soon as practicable of any major and urgent issues that are raised at any meeting.

Appendix 1 Suggested Work Plan

Scheduled meetings:

	March /April (Ordinary Meeting)	July (Ordinary Meeting)	Sep (Audit/ Finance Focus)	Nov (Audit/ Finance Focus)	Nov (Ordinary Meeting)
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 & Compliance Oversight					
2.2.1 Oversight of Integrity & Personal Conduct Risks, Policies & Compliance	✓	✓			✓
2.2.2 AFL Registration, Background Checks and Induction Procedures		✓			
2.2.3 Whistleblower Access	✓	✓			✓