

# Memorandum

**To:** Directors and Constituent Body CEOs  
**From:** James Popple, Chief Executive Officer  
**Date:** 28 February 2024

## Call for Nominations—one Non-Executive Director Member to the Finance, Risk & Audit Committee

### Action Request

I call for nominations for one Non-Executive Director member of the Finance, Risk and Audit Committee, with expertise relevant to the Committee's Terms of Reference. Nominations are requested by **COB, Wednesday, 13 March 2024**.

### Background

1. The Law Council Board Committees' Charter relevantly provides that:
  - (a) members of the Board Committees are to be appointed by Directors on the recommendation of the President-elect,
  - (b) members of the Board Governance Committees are to hold office from the date of appointment until the end of the calendar year following, but may be reappointed, and
  - (c) in identifying the non-ex officio members, the President-elect may consult as widely as appropriate, but should consult with the Chair of the relevant Committee.
2. There is currently a vacancy on the Finance, Risk and Audit Committee for one Non-Executive Director member with expertise relevant to the Committee's terms of reference.
3. Nominations should be forwarded to James Popple, Chief Executive Officer at [james.popple@lawcouncil.au](mailto:james.popple@lawcouncil.au) and CCed to Dan Sybaczynskij, Executive Officer/Company Secretary at [daniel.sybaczynskij@lawcouncil.au](mailto:daniel.sybaczynskij@lawcouncil.au).
4. The Charter provides that:
  - (a) membership of the Finance, Risk and Audit Committee should comprise:
    - The Treasurer (Chair)
    - Another member of the Executive
    - Two other members with expertise relevant to the Committee's Terms of Reference, each of whom must be a non-Executive LCA Director of the Law Council of Australia
    - An External Member with specialist accounting and related financial experience.

## Terms of Reference


5. The Finance, Risk and Audit Committee's key functions are:
  - to oversee the Company's relationship with the external auditor;
  - oversight of the Company's financial controls and systems; and
  - to monitor and advise the Board of Directors on the process of identification and management of business, financial and commercial compliance and risks for LCA Ltd and its subsidiaries.
6. The Finance, Risk and Audit Committee Terms of Reference are **attached**.
7. The following table sets out the proposed membership of the Finance, Risk and Audit Committee for 2024:

Position	Current Member
Chair	Tania Wolff
Executive Committee member	Elizabeth Shearer
Two non-Executive Committee Directors with relevant expertise	Rohan Foon
	<b>Vacant</b>
External Member	Adam Awty

8. Upon receipt of nominations for the vacant non-Executive Director position, the President-elect will recommend the proposed full membership of the Committee for appointment by the Directors at their next meeting, scheduled for 23 March 2024.

## Contact

In the first instance, please contact Mr John Cattle, Chief Operating Officer on [john.cattle@lawcouncil.au](mailto:john.cattle@lawcouncil.au) or 02 6246 3788 for any further information.



**James Popple**  
Chief Executive Officer

# FINANCE, RISK & AUDIT COMMITTEE

## Terms of Reference

- TITLE:** Finance, Risk and Audit Committee – Terms of Reference
- ISSUE NUMBER:** (2) – revised and drafted August 2022
- APPLICATION:** The Finance, Risk and Audit Committee (FRAC) is a Committee of the Law Council of Australia Ltd Board and is responsible to the Board of Directors of the Law Council of Australia (**the Board**).
- SUMMARY:** The primary purposes of the FRAC include:-
- assisting the Board in discharging their responsibilities with respect to:
    - a) the financial statements, financial report and annual report;
    - b) risk management systems; and
    - c) protection of the Company’s capital and reputation;
  - overseeing the Company’s relationship with internal and external auditors; and
  - maintaining the independence of auditors.
- AUTHORITY:** the Board
- APPROVAL DATE:** 26 November 2022
- CONTACT:** LCA Treasurer
- SUNSET DATE:** N/A
- REVIEW DATE:** 3 years from approval date
- 1.0 FUNCTION:** Overview
- The FRAC’s key functions are to:
- oversee the Company’s relationship with the external auditor;
  - oversight of the Company’s financial controls and systems; and
  - monitor and advise the Board of Directors on the process of identification and management of business, financial and commercial compliance and risks for LCA Ltd and its Subsidiaries.

## 1.1 Audit

The FRAC's specific function on audit is to review and report to the Board on how:

- the system of control, which management has established, effectively safeguards the assets of the Company;
- accounting records are properly maintained in accordance with statutory requirements; and
- financial information provided to stakeholders and the Board of Directors is accurate and reliable.

The following are intended to form part of the normal procedures for the committee's audit responsibility in reviewing (in consultation with management, internal and external auditors):

- the Company's financial reporting and disclosure processes and the outputs of that process;
- the reliability and integrity of accounting standards policies and financial reporting and disclosure practices;
- compliance with applicable accounting standards and other requirements relating to the preparation and presentation of financial result;
- the appropriateness of the accounting principles adopted by management in the composition and presentation of financial reports;
- periodic evaluation of the performance of the internal and external auditors;
- agreeing and approving the annual audit plan; and
- setting and overseeing the Company's policy on the provision of non-audit services, (i.e. performance reviews e.g. of the payroll or IT systems).

## 1.2 Risk

The FRAC's specific function with respect to risk management is to review and report to the Board that:

- the ongoing risk management program identifies known areas of potential risk;
- adequate policies and procedures have been designed and implemented to manage all identified risks;
- a regular program of audits is undertaken to test the adequacy of and compliance with prescribed policies; and
- proper remedial action is undertaken to redress areas of weakness.

The following are intended to form part of the normal procedures for the committee's risk responsibility (in consultation with management, internal and external auditors):

- monitoring financial and operational risks relevant to the Company's business activities and the management of those risks;
- reviewing and making recommendations on strategic direction, objectives and effectiveness of the Company's financial and operational risk management policies;
- overseeing the establishment and maintenance of processes to ensure that there is:

- a procedure for identifying risks relevant to the Company's business and controlling their financial or other impacts on the Company;
  - an adequate system of internal control, management of business risks and safeguarding of assets;
  - a system for reporting and investigating breaches of the Company's compliance and risk management procedures and policies; and
  - a review of internal control systems and the operational effectiveness of the policies and procedures related to risk and control.
- overseeing investigation of allegation of fraud or malfeasance;
  - reviewing the Company's main corporate governance practices related to risk exposure; and
  - reviewing and monitoring the propriety of related party transactions.

### 1.3 Relationship with the auditors

#### 1.3.1 External auditor

The Board of Directors has the ultimate responsibility and authority to select, evaluate and where appropriate, replace the external auditor.

The FRAC has the responsibility of making recommendations to the Board:

- for the appointment, remuneration and removal of the external auditor and agreeing to terms of engagement;
- of appropriate processes for monitoring the effectiveness and independence of the external auditor; and
- of appropriate processes to ensure that the audit is conducted in accordance with the Auditing Standards and all relevant accounting policies and standards.

**2.0 MEMBERSHIP:** The Constitution of the Law Council provides that at least one member of each Board Committee, such as the FRAC, must be a Director of the Law Council (clause 45.4).

As set out in the Law Council's Board Committee Charter, the FRAC will consist of the following members:

- The Treasurer (Chair)
- Another member of the Executive
- Two other members with expertise relevant to the Committee's Terms of Reference, both of whom must be a non-Executive Director of the Law Council
- An External member with specialist accounting and related financial experience.

The LCA Directors approve all members of the FRAC.

The Treasurer or the Treasurer's nominee shall chair meetings. Decisions will be by majority, provided that the FRAC shall attempt to

achieve consensus. If required the Chairperson at any meeting will have a casting vote.

Individuals with specialist expertise, may be invited to attend Committee meetings where their input is required to further the business of the Committee.

The Director, Finance and Corporate Services will provide support to the committee. The Chief Executive Officer will be in attendance at FRAC meetings.

A quorum will exist if there is a minimum of three voting members present.

**3.0 REPORTING:** The Treasurer is required to provide a written report or an oral presentation of matters considered by the FRAC at meetings of the Board of Directors, and not less than annually.

**4.0 MEETING:** The FRAC will meet as required to fulfil its functions. The FRAC will normally meet by telephone or video conference but face to face meetings may be appropriate as determined by the Chairperson.

**5.0 REVIEW:** The Board will, at least every three years review the membership and policy of the Committee to determine its adequacy for current circumstances. The Committee may propose to the Board alterations to the responsibilities, function, operations or membership of the Committee.

#### **6.0 ADMINISTRATIVE**

**SUPPORT:** The LCA will provide secretarial support to the FRAC as requested by the FRAC Chairperson.

**7.0 FUNDING:** Travel, accommodation and meeting expenses of the FRAC will be the responsibility and at the cost of the LCA, as per the Law Council's Travel Policy and approved Budget.