Finance Committee Charter

The Finance Committee provides Council with independent advice and assurance on the University's financial management and reporting, performance reporting, and assists Council in discharging its responsibilities relating to the prudent management of the investment portfolio for the benefit of the University. This includes oversight of investment performance and the application of relevant policies like the Socially Responsible Investment policy.

Introduction

1. The Australian National University (ANU) Council has established the Finance Committee (the Committee) in accordance with section 18 of the Australian National University Act 1991.

2. This Charter sets out the Committee's objective, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

Objective

3. The objective of the Committee is to monitor and provide advice to Council on the University's management of its financial resources, subsidiaries, significant equity interests, investments, including investment asset allocation and the Investment Policy, consistent with the University's pursuit of excellence in all aspects of its work.

Authority

4. The Council authorises the Committee, within the scope of its role and responsibilities, to:

   - obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
   - discuss any matters with external parties (subject to confidentiality considerations);
   - request the attendance of any ANU employee, officer of a controlled

entity or Council member at Committee meetings; and

- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the University's expense.

Composition and Tenure

5. The Committee shall consist of:

   - a Chair, appointed by the Council, who may be a member of Council but not the Chancellor nor a student or employee of the University.
   - ex officio, the Vice-Chancellor;
   - ex officio, the Pro-Chancellor;
   - ex officio, the Chair, Audit and Risk Management Committee;
   - up to three other Council members, appointed by the Council;
   - at least two and up to three other members, appointed by the Council, who have appropriate expertise, at least two of whom are neither students nor employees of the University.

6. The Committee may appoint a Deputy Chair from amongst its members.
7. The members, taken collectively, shall have a broad range of skills and experience relevant to the operations of the University. At least two members of the Committee should have a high level of relevant financial expertise. At least two members of the Committee should have a high level of relevant commercial or investment expertise.
8. Council members shall be appointed until their term on Council expires or as otherwise determined by Council.
9. Other members shall be appointed for up to three years and are eligible for re-appointment.
10. The Council will have regard to a balanced membership, including with respect to the diversity of the Australian community and the University, and the need for both continuity and regular renewal, in filling positions on the Committee.
11. Council members may attend Committee meetings and when they elect to do so will be provided with access to Committee papers.

Roles and Responsibilities

12. The Committee exercises such functions, responsibilities and authorities as may be assigned or delegated to it by Council from time to time, but only such executive powers as are explicitly delegated to it.

13. The Committee's responsibilities, subject to revision by Council, are to monitor, review and where appropriate make recommendations to Council with respect to:

    - significant matters relating to the ownership, management and divestment of assets, noting that there may be a need for interaction with other Committees of Council such as the Campus Planning Committee or the Audit and Risk Management Committee;
    - the creation of cash reserves and financial provisioning and management of employee superannuation, other entitlements and liabilities, insurance, and other financial matters;
    - the adoption of the University's annual (recurrent and capital expenditure) budget;
    - the University's forward estimate projections and any implications arising for the University's budgetary position;
    - the University's financial performance against budget and the performance against plans for capital expenditure on physical assets;
    - the University's performance against its strategic key performance indicators, to the extent that such performance has a financial consequence for the University;
    - the investment portfolio of the University, including:
        - the policies governing the operation of the investment portfolio, and their application; and
        - objectives and strategy;
        - risk appetite and applicable tolerance thresholds;
        - management and financial performance;
        - the management and performance of any external funds manager engaged by the University;
        - ensuring endowment mandates achieve their mission over the full extent of the desired time horizon; and
        - the role of the endowment in supporting the strategic goals of

the University.

- matters relating to the University's commercial activities, including:
    - the establishment of new legal entities or participation in significant commercial activities, including monitoring where appropriate assessments and measures have been completed;
    - the management and operation of controlled entities, auxiliary operations, other commercial activities and any other equity interests of the University;
    - monitoring financial performance of these entities and activities, after receiving quarterly and annual reports, business plans, financial statements and auditors' reports; and
    - reporting annually to Council on the performance, and any significant issues arising, in relation to controlled entities, auxiliary operations, and other commercial activities;
- matters of policy concerning the governance of financial and commercial matters;
- other matters raised by the Council or the Vice-Chancellor which have a significant direct or indirect effect on the finances of the University.

14. The Council delegates authority to the Committee, subject to University policy and relevant decisions of the Council, to approve investment criteria, authorise investments and strategic asset allocations, having considered advice by the Investment Office.

15. The Committee is to assist the Council in monitoring the University's commercial activities and to refer all matters of concern or significance to the Council.

16. Where the Committee identifies issues of possible concern relating to campus planning and development, it shall refer such matters to the Campus Planning Committee for consideration. Similarly, where it identifies issues that may present a risk to the University or its interests, it shall refer such matters to the Audit and Risk Management Committee for consideration.

Responsibilities of Members

17. Members of the Committee are expected to understand and observe the legal requirements of the *Australian National University Act 1991* (Cth), the *Public Governance,Performance and Accountability Act 2013* (Cth), and the

ANU Governance Statute.

18. Members are also expected to:

- act always in the best interests of the University as a whole, with this obligation to be observed in priority over any duty a member may owe to those electing or appointing them;
- act in good faith, honestly and for a proper purpose;
- exercise appropriate care and diligence;
- not improperly use their position to gain an advantage for themselves or someone else; and
- disclose and avoid conflicts of interest (with appropriate procedures for that purpose similar to those for public companies)1.

Reporting

19. The Committee will regularly, but at least once a year, report to the Council on its operation and activities during the year. The report should include:

- a summary of the work it performed to fully discharge its responsibilities during the preceding year; and
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings each member attended.

20. Where the Committee identifies exposure (or potential exposure) to material risk to the University in relation to the Committee's role the Council is to be notified of the matter, and it is to be referred (including by informal means during meeting agenda preparation phases) to the Audit and Risk Management Committee or other Council Committees for consideration and the development of advice to Council and/or the Vice-Chancellor.

21. The Committee may, at any time, report to the Council on any other matter it determines of sufficient importance to do so.

Administrative Arrangements

Meetings and Planning

22. The Committee shall meet up to four times per year, on dates determined by the Committee.

[1] As outlined in the Voluntary Code of Best Practice for the Governance of Australian Universities (2018)

23. The Chair is required to call a meeting if asked to do so by the Council and decide if a meeting is required if requested by another Committee member.

24. A forward meeting plan, including meeting dates and key agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all of its responsibilities, as detailed in this Charter.

25. If the Chair is not a Council member, they will be invited to formally attend at least one Council meeting per year.

26. The Chair will be regularly updated on the financial and activities of the University and emerging issues by the Chief Financial Officer, Director Investment Office or the Chief Operating Officer.

Attendance at Meetings and Quorums

27. A quorum shall consist of 50 per cent of Committee members (rounded up to the nearest whole number) who hold office for the time being.

28. Meetings may be held in person or by digital means.

29. Members of the University Executive, and other relevant persons, subject to Committee direction, may be required to attend meetings and contribute to Committee deliberations.

30. The Chair of the Committee may invite any ANU employee and/or external party to attend Committee meetings or participate in certain agenda items.

Secretariat

31. The University Governance Office (UGO) provides secretariat support to the Committee.

32. The Finance and Business Services Division shall be responsible for the development and preparation of reports and other papers on financial matters to be presented to the Committee. Such reports and papers will be submitted to the UGO for inclusion in the agenda papers.

33. In supporting the preparation of agenda papers, UGO will provide procedural and contextual advice and drafting support, especially in respect of recommendations being presented to the Committee.

34. UGO will ensure the agenda and supporting papers for each meeting are circulated, and at least seven days before the meeting. Copies of the agenda and supporting papers (and access to meetings), will be made available to Council members as requested.

35. UGO will ensure the minutes of the meetings are prepared and maintained.

Minutes shall be authorised by the Chair prior to approval being sought from the Committee at the next meeting.

Conflicts of Interest

36. Upon joining the Committee and then once a year thereafter, Committee members will provide written declarations to the Council declaring any material personal interests that could preclude them from being members of the Committee. External members will be asked to consider past and present employment, consultancy arrangements and related party issues in making these declarations. Council will need to be satisfied that there are sufficient processes in place to manage any real, perceived or potential conflict of interest.

37. Committee members shall declare any material personal interests at the start of each meeting or before discussion of the relevant agenda item or topic. Details of material personal interests declared by Committee members, and actions taken, will be appropriately recorded in the minutes.

Induction

38. UGO will maintain a program of induction, training and awareness-raising for new Committee members, with the objective of enabling the Committee to keep abreast of contemporary developments and leading practice to assist members to meet their committee responsibilities. The Finance and Business Services Division will assist UGO in this task, as required.

Assessment and Review

39. The Chair of the Committee will initiate annually a review of the performance of the Committee and this charter, with the outcomes to be reported to Council. The review of performance may be conducted on a self-assessment basis unless otherwise determined by the Council.

Approved by resolution of the ANU Council on 19 June 2026