

<b>Title</b>	<b>FINANCE &amp; INVESTMENT COMMITTEE TERMS OF REFERENCE</b>		
<b>Document Sponsor</b>	Director Legal and Governance		
<b>Authorised by</b>	Trust	<b>Date First Adopted:</b>	28/02/2010
<b>Version</b>	05.00	<b>Date This Version Approved:</b>	12/12/2018
<b>Next Review Date</b>	30/9/2019	<b>Document No:</b>	2
<b>Business Function</b>	Governance		
<b>Keywords</b>	Finance and Investment Committee Terms of Reference		

## 1 Introduction

### 1.1 Purpose

The Greater Metropolitan Cemeteries Trust ('GMCT' or 'the Trust') Finance & Investment Committee ('the Committee') is a formally constituted Committee of the Trust under the *Cemeteries and Crematoria Act 2003* and reports directly to the Trust.

The Committee has an advisory role assisting the Trust in fulfilling its statutory and fiduciary responsibilities in accordance with the requirements of the *Cemeteries and Crematoria Act 2003 (the Act)*. Establishment of this Committee is a statutory requirement under section 18B(1)(a)(i) of the Act.

Nothing in this Charter limits any powers or responsibilities of the Trust.

## 2 Objectives & Powers

### 2.1 Objective

Provide advice and make recommendations to the Trust on matters relating to:

- appropriate, prudent, sustainable and efficient use of investment funds;
- establishment and maintenance of the Perpetual Maintenance Fund;
- the accuracy and veracity of regular financial reports;
- compliance with obligations to third parties and relevant internal policies; and
- other financial matters as requested by the Trust.

### 2.2 Executive Powers

The Committee's role is to make recommendations to the Trust; accordingly, it does not have the executive powers to commit the Trust or management to implement its recommendations, except in relation to the approval of certain policies as determined by the Trust.

The Committee shall have direct access to and seek any explanation and additional information, or independent and expert advice, it requires in undertaking its oversight and advisory responsibilities.

## 3 Responsibilities

The specific duties of the Committee in relation to its role and responsibilities are:

### 3.1 Business and Financial Performance

- a. Review capital and operating budgets and forecasts for recommendation to the Trust.
- b. Review regular activity and financial performance reports and ensure management responses and actions are appropriate.
- c. Review key financial reports being Income Statement, Balance Sheet and Cash Flow Statement
- d. Provide oversight to the planning of major capital projects, including the funding and timing of projects proposed for inclusion in the long-term financial plan

- e. Review business cases for major capital works projects, and make recommendations to Trust regarding these projects
- f. Provide oversight to the management of major capital projects, particularly in terms of budgetary and timeframe compliance.

### **3.2 Financial Risk Management and Compliance**

- a. Review status of Perpetual Maintenance Fund, in line with the Trust's Perpetual Maintenance Policy.
- b. Monitor investment activity compliance with the GMCT's Investment Policy.

### **3.3 Investment Management**

- a. Assess the appropriateness of GMCT's Investment Policy in the context of relevant Victorian government directions.
- b. Monitor and advise on GMCT's investment strategy, based on current and future operational and capital needs.
- c. Set the principles by which fund managers must operate and review their performance on a periodic basis.

### **3.4 Policies**

The Trust may delegate to the Finance & Investment Committee the power to approve certain policies as determined by the Trust.

### **3.5 Responsibilities of the Chair**

The Chair of the Committee holds both a leadership and relationship management role. The Chair:

- leads the Committee in the conduct of its responsibilities and discharge of its duties
- leads the Committee in ensuring effective governance of the Committee and the achievement of the Committee Responsibilities
- interprets Trust policy as required
- in consultation with the CEO or Chief Financial Officer, sets the meeting agenda of the Committee and oversees the provision of adequate information to the Committee and Trust
- leads an effective relationship with the CEO and Executive
- leads an effective relationship with each Committee Member, and
- Acts on other related matters.

## **4 Membership**

### **4.1 Composition**

- a. Membership of the Committee shall be determined by the Trust and consist of at least three (3) and no more than six (6) members.
- b. At least one (1) external independent and non-executive appointment at the discretion of the trust.
- c. The Committee Chair:
  - must be appointed directly by the Trust for a term of three (3) years and may be re-appointed at the discretion of the Trust;
  - must be a Trust Member; and
  - may not be the Trust Chair.

### **4.2 Skills & Qualities of Committee Members**

- a. Committee members should:
  - have a range of different backgrounds, skills and experiences in the context of the GMCT's business, financial and investment risk profile;
  - be financially literate with at least one (1) member having recognised investment and financial expertise; and

- have a strong understanding of the Trust’s business processes; organisational structure and policies; and operations, including its planning, control and service delivery methods;
- b. At the time of appointment, each member shall be assessed as being independent from any business or other relationship that, in the opinion of the GMCT, would materially interfere with the exercise of their judgment as a member of the Committee.
- c. Members must immediately advise the Committee Chair of any perceived, potential or actual conflicts of interest that arise during their membership of the Committee and may not vote on any matter where the Committee agrees that there is a conflict of interest.

### **4.3 Terms and Vacancies**

- a. Committee members will be appointed on annual basis by the Trust, subject to Committee composition requirements and eligibility. The Trust will also review Committee composition each time new members are appointed to the Trust.
- b. A Committee member may resign from the Committee, in writing, and addressed to the Trust Chair at any time.
- c. The Trust may remove a member of the Committee at any time, if deemed necessary.
- d. The Trust must appoint a person to fill a vacancy in the membership within three (3) months of the vacancy arising.

### **4.4 In Attendance**

The following officers should attend Committee meetings:

- a. Chief Executive Officer.
- b. Chief Financial Officer (Executive Sponsor).
- c. Executive Management or Finance Personnel (per item as required and as determined by the Chief Executive Officer).
- d. Legal and Governance Officer as minute-taker.

Other members of management, or parties external to the GMCT, may be invited by the Committee Chair to attend any meeting of the Committee or part thereof, as a resource or in an advisory capacity following consultation with the Chair and the Chief Executive Officer. Non-members of the Committee may be asked to withdraw for all or part of any meeting as appropriate.

## **5 Meetings of the Committee**

### **5.1 Frequency**

- a. Meetings shall be held at least six (6) times annually and more frequently if deemed necessary.
- b. Committee Chair may call a meeting of the Committee if so requested by a member of the Committee or by the Trust Chair.
- c. Meetings may be called or held using any technology determined by the Committee Chair.

### **5.2 Quorum**

A quorum shall consist of not less than two (2) Committee members, who must be GMCT Trust members.

### **5.3 Meeting Papers**

Meeting papers will be delivered electronically via secure software and tablets or email or other methods as required.

#### **5.4 Decision-making and Voting**

- a. Decisions shall be reached by consensus, or majority vote if required.
- b. Each Committee member is entitled to one (1) vote.
- c. The Committee Chair does not have a casting vote.
- d. Any Trust member may attend a meeting of the Committee of which they are not a member, for discussion of particular areas of interest to that Trust member. However, the Trust member has no voting entitlement. Trust members who are not Committee members will also receive Committee papers and notices for their information.

#### **5.5 Committee Member's Attendance**

- a. Committee members must attend at least 75% of Committee meetings.

#### **5.6 Agendas**

- a. The Committee Chair is responsible for the development of the Agenda for Committee meetings, in conjunction with the Chief Executive Officer and Chief Financial Officer.
- b. Items for Agenda shall be advised by Committee members at least two (2) weeks prior to the meeting date, unless otherwise agreed.  
The Agenda shall be circulated together with relevant meeting papers, in electronic form to Committee members and Trust members five (5) days prior to the meeting date, unless otherwise agreed.
- d. Meeting agendas are to be structured throughout the year to ensure that each responsibility of the Committee is addressed.

#### **5.7 Minutes**

- a. Proceedings, findings and recommendations of all Committee meetings must be minuted.
- b. Draft Minutes shall be provided to the Committee Chair for review no later than forty eight hours (48), following the meeting date, unless otherwise agreed. Once received from the Committee Chair, minutes will then be distributed to other Committee members within forty eight (48) hours.
- c. Minutes must be approved by the Committee and signed by the Chair at its subsequent meeting.

### **6 Confidentiality**

All members and attendees shall be subject to the confidentiality requirements of the GMCT.

### **7 Reporting**

- a. The Committee shall report to the Trust after each meeting through its meeting minutes and/or a presentation to the ordinary Trust Meeting by the Committee Chair.
- b. The Committee's role, composition, and achievements shall be included in the Trust's Annual Report, together with a statement that the Committee has observed its Terms of Reference.
- c. The Committee's Terms of Reference shall be available on the Trust website at all times.

### **8 Performance Review**

The Committee will conduct an annual evaluation of its performance and functions and report to Trust on the outcome with any recommended changes to the Committee's role or Terms of Reference as appropriate. The Committee may also conduct an evaluation of its performance at the conclusion of each meeting.

## 9 Document Review

The Committee shall review and reassess its Terms of Reference every two (2) years to ensure it remains relevant, is meeting the needs of GMCT, and to address any emerging issues.

## 10 Committee Terms of Reference History

<b>Date</b>	<b>Details of Change</b>
2010	Updated
2015	Reviewed and Updated
April 2016	Reviewed and updated to new policy template.
Nov 2016	Reviewed, updated and approved by Trust
Feb 2018	Reviewed, updated and approved by Trust
Nov/Dec 2018	Reviewed, updated and approved by Trust