



National Housing Finance
and Investment Corporation

NATIONAL HOUSING FINANCE AND INVESTMENT CORPORATION

EXECUTIVE RISK AND COMPLIANCE COMMITTEE CHARTER

July 2023

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Purpose, Role and Functions

The CEO of the National Housing Finance and Investment Corporation (NHFIC) has established an Executive Risk and Compliance Committee (ERCC) as it is sound governance for an organisation to establish and maintain appropriate systems and internal controls for the oversight and management of enterprise-wide and operational risk and compliance. ¹

In addition, NHFIC's risk management framework must respond to NHFIC's PGPA Act obligations and the ERCC is a key component of NHFIC's approach to risk management.

Responsibilities

The ERCC will be responsible for identifying and monitoring significant risks to NHFIC, maintaining and promoting NHFIC's risk management and compliance frameworks and policies, managing risks in line with those frameworks and policies, and implementing and overseeing control processes and risk mitigation strategies.

The ERCC will act as a forum for the discussion of significant risks and issues and provided advice to the CEO. It reports to the Accountable Authority through the NHFIC Board Audit and Risk Committee (ARC).

More specifically, the ERCC will:

- review the content, application and compliance with NHFIC's risk and compliance framework, policy and plan;
- monitor alignment with, and provide recommendations in respect of the NHFIC's risk appetite, tolerance, and system of risk oversight;
- monitor and assess NHFIC's organisation-wide risk profile and exposure to significant risks
- discuss and monitor emerging and material shared risk, issues, compliance breaches and incidents including those in key projects;
- oversee the effective operation of the Business Continuity and Disaster Recovery Plans;
- monitor NHFIC's enterprise-wide risk management and compliance programs and recommend policies for the governance and management of enterprise-wide risks to the ARC
- identify opportunities to enhance consistency across the NHFIC, including more effective ways of managing similar risks, or categories of risk, from an entity-wide perspective.
- review reports from management, external auditors, internal auditors, legal counsel, regulators and consultants, as appropriate, regarding the risks NHFIC faces and NHFIC's management of those risks provide the ARC with regular reports on significant risks facing NHFIC.

Membership

The CEO has delegated management of the ERCC to the Chief Risk Officer (CRO) who will chair the ERCC. The ERCC members are the CEO direct executive reports and other officers determined by the Committee. The membership is as follows:

- General Counsel & Chief Risk Officer (Chair)
- Chief of Staff
- Chief Credit Officer

¹ Credit and Treasury Financial Risk is monitored by the Credit and Bond Issuance Committees

- Chief Corporate Affairs Officer
- Chief Financial Officer and Chief Operating Officer
- Chief Origination Director
- Chief Program Officer, Home Ownership
- Corporate Advisor
- Director, Finance
- Director, Strategy & Transformation
- Director, Treasury & Capital Markets
- Head of Research
- Head of Technology

Participation of non-members

NHFIC's internal and external auditors, Export Finance Australia and NHFIC's employees may attend ERCC meetings as invitees.

Meetings

The ERCC will hold meetings on a regular basis as determined by the CRO.

Quorum

A quorum consists of a majority of ERCC members attending the meeting in person or via electronic means.

Minutes

The NHFIC Board secretary, or delegate, will keep minutes of ERCC meetings. The minutes, or relevant extracts from them, will be provided to the ARC.

Internal audit

NHFIC's internal auditors will be invitees to the ERCC and able to provide an overview of internal audit reports.

Access to the Executive Risk Committee

Any employee of NHFIC may have access to the Chair of the ERCC in relation to any matter within the ERCC's functions.

Reporting

The ERCC will provide a report (copy of the ERCC Minutes) to the ARC. In addition, the ERCC will provide an annual statement to the ARC that the NHFIC's risk management framework is operating and that breaches have been reported to the ARC.

Review of performance

The ERCC will review the scope and effectiveness of its activities at least every two years. The review will incorporate the input from relevant stakeholders. The Chair of the ARC will be provided with a report on the review.

Conflicts of interest

Details of the procedures to manage committee members conflicts are set out in the 'NHFIC's Disclosure of Interest Policy'.

Review of the charter

The ERCC will review the terms of this charter annually.

Document version details

VERSION ID	DATE	REMARKS
1.0	February 2021	Document creation
1.1	November 2021	Document review with minor amendments
2.0	December 2022	Document review
3.0	July 2023	Document review