



## AUDIT COMMITTEE CHARTER

### VERSION CONTROL

Version No.	Date	Responsible person	Details
1	Aug 2008	Executive Officer	Created document, board adopted Aug 2008.
2	Sep 2017	Executive Officer	Updated terms of reference to Charter, expanded on duties, changed member terms. Next review date Sep 2019

*The Board of Rural Financial Counselling Service Victoria - Gippsland ('RFCSV-G') has established an Audit Committee to assist it with the management of financial risk. This is the charter of the Audit Committee.*

### PURPOSE

The Audit Committee ("Committee") is responsible for assisting the Board of RFCSV-G in discharging its responsibilities to safeguard the integrity of financial reporting.

The Committee's role is to provide appropriate advice and recommendations to the Board to assist the Board to fulfil its corporate governance responsibilities in regard to financial reporting, the internal control environment, and audit management for RFCSV-G.

### AUTHORITY

In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for strategic management and corporate governance rests with the Board.

The Committee has no executive powers and cannot make decisions on behalf of the Board.

The Chairperson of the Committee may, if considered reasonably necessary and in consultation with the Chair of the Board, request external advice to allow the Committee to meet its responsibilities.

The Committee is authorised by the Board to perform the activities and provide recommendations relating to all its responsibilities set out in this Charter.

In addition, the Committee is authorised to:

- seek explanations and additional information from management and any officer or employee of RFCSV-G;
- meet with external auditors without management present;
- resolve any disagreements between management and the external auditors; and
- carry out any activities, determinations, decisions or resolutions delegated by the Board to the Committee.

The Committee will have access to all books, records, facilities and personnel of the RFCSV-G for the Committee to discharge its responsibilities.

The Executive Officer is responsible for ensuring that the Committee has adequate secretarial support and access to administrative resources.

## **MEMBERSHIP**

The Board will appoint the members of the Committee and the Chair of the Committee (who must not be the Chair of the Board).

The Committee will be comprised of at least three members of the Board, all of whom are Non-Executive Board members and a majority of whom are considered by the Board to be independent directors.

At least one member will be a suitably qualified accountant, with all members sufficiently experienced to be able to competently and confidently understand the financial information presented to the Committee.

The Committee members will be appointed for a 3 year term and can be reappointed, as per the conditions of the Rules of Association and Board Recruitment policy.

The Executive Officer and the Finance and Admin Officer will be non-voting members of the Committee.

The Secretary of the Committee will be the Finance and Admin Officer, or a delegate, who will be responsible for agenda and minutes of meeting.

All directors of RFCSV-G are entitled to attend Committee meetings.

## **MEETINGS**

The Committee will meet at least quarterly, with additional meetings as required.

Meetings will be held prior to Board meetings, and will typically be scheduled for 30 minutes, depending on agenda.

A quorum of the Committee meeting will be a minimum of two members.

The agenda (approved by the Chair) and supporting documentation should be delivered to the Audit Committee members, where possible by the last day of the week preceding the meeting.

Minutes of all Committee meetings will be taken and should be issued (in draft or final form) in the papers for the next full Board meeting after each meeting of the Committee. The Committee minutes, agenda and supporting papers shall be made available to all Directors, provided there is no actual or perceived conflict of interest.

## **RESPONSIBILITIES**

### *Financial Matters*

The Audit Committee shall consider and advise the Board on:

- the quality and effectiveness of reporting to the Board on financial management;



- significant accounting, tax and reporting issues, including complex or unusual transactions and highly judgmental areas, and recent professional and regulatory pronouncements and understand their impact on the financial statements;
- results of the financial audit, including any difficulties encountered;
- the completeness and accuracy of the Annual Financial Statements and that they are consistent with the information known to Committee members and reflect appropriate accounting principles; and
- the completeness and accuracy of the quarterly financial reports.

### *Internal Controls*

The Audit Committee shall consider and advise the Board on:

- the effectiveness of the Company's internal control system, including information technology security and controls;
- the scope of any internal or performance audits and external auditors' review of internal control over financial reporting,
- reports on significant findings and recommendations, together with management's responses, from audit activity.

### *Compliance*

The Audit Committee shall consider and advise the Board on:

- Regular reviews of the effectiveness of the system(s) for monitoring compliance with laws and regulations and the Deed of Grant financial requirements;
- Updates from management regarding compliance matters;
- Any matters raised by the External Financial Auditor; and
- The annual review of RFCSV-G insurance register and adequacy of cover having regard to the business and insurable risks.

### *Risk Management*

The Audit Committee shall consider and advise the Board on:

- Areas of significant financial risks (as identified in the Risk Management Plan and Risk Register) and ensure that appropriate actions are in place to manage business, legal, compliance and financial risks, including fraud;
- Impacts of RFCSV-G risk management framework on its control environment and insurance arrangements; and
- Assist with developing a risk management approach for any major projects or undertakings.

## **CONDUCT BY MEMBERS**

All Committee members are expected to act in accordance with the Code of Conduct.

Conflicts of Interests must be declared and managed in accordance with Conflicts of Interest Policy

Members are bound by RFCS-VG Media Policy.



Due to their sensitive nature, items of Committee business remain confidential unless identified otherwise by the Committee.

## **INDUCTION AND REVIEWS**

New Committee members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities, as per RFCSV-G Recruitment Policy and Induction Procedure.

The Chair will initiate a review of the Committee's performance at least once every two years.

This Charter will be reviewed biannually and may only be amended by resolution of the Board.