

Wesley Mission Victoria



AUDIT AND RISK MANAGEMENT COMMITTEE

CHARTER

1. Purpose of Charter

This Audit and Risk Management Committee Charter sets out the membership, responsibilities, authority and operation of the Wesley Mission Victoria Audit and Risk Management Committee (ARMC).

2. Authority

The ARMC is appointed and authorised by the Board of Wesley Mission Victoria to assist the Board in fulfilling its statutory, fiduciary and regulatory responsibilities in respect of oversight and corporate governance and the fostering of an ethical culture throughout the Company and its subsidiaries.

3. Role of the Committee

The role of the Committee is:

To assist the Board of Directors to discharge its responsibility to exercise due care, diligence and skill in relation to the Company's:

- Reporting of financial information to users of financial reports;
- Application of accounting policies;
- Financial management;
- Internal control systems;
- Risk management systems;
- Business policies and practices ;
- Protection of the Company's assets; and
- Compliance with applicable laws, regulations, standards and best practice guidelines.

4. Committee Responsibilities

Accounting Policies and Procedures

- To review proposed changes to accounting policies and procedures and make recommendations to the Board regarding such proposals.
- To request reports from management and the External Auditor on any imminent regulatory, accounting or reporting issue that has potential to impact on accounting policies and procedures and financial reporting processes.

Compliance

- To monitor the effectiveness of the Company's compliance with applicable laws and standards, policies and procedures.
- To review the outcomes of auditing of the Mission's AS/NZS ISO 9001:2000 Quality Management System and 4801:2001 Occupational Health and Safety System and monitor any corrective action taken by management.

Business Risk

- To review management reports regarding the identification and management of significant business risk.
- To evaluate the effectiveness of internal control systems by reviewing reports from the Internal and External Auditors and monitor any corrective action taken by management.
- To evaluate any exposure to fraud by reviewing reports from the Internal and External Auditors.
- To evaluate insurance cover and make recommendations to the Board regarding such cover as required.

Reporting

- To review the appropriateness of management reports to the Board and recommend changes as required.
- To review annual financial statements with management and the External Auditor and make recommendations to the Board regarding their adoption.

Internal Audit

- To recommend to the Board the appointment of an Internal Auditor who is independent from the Mission's External Auditor.
- To review risk assessments undertaken by the Internal Auditor, risk management plans and internal audit plans.
- To ensure, as far as practical, that the activities of the Internal Auditor are not restricted by management.
- To evaluate the effectiveness of the internal audit process.

External Audit

- To recommend to the Board the appointment of an External Auditor and the setting of fees.
- To review the audit plan of the External Auditor.
- To ensure, as far as practical, that the activities of the External Auditor are not restricted by management.
- To evaluate the effectiveness of the external audit.

5. Composition

The Committee shall consist of not less than four members. Not less than 50% of the members shall be Non-executive Directors, including a member of the Board Finance & Property Committee (other than the Chairperson of that Committee). Not more than 50% of the Committee shall be external co-optees).

The Company's Internal Auditor shall attend Committee meetings and provide regular reports to the Committee.

The Chief Executive Officer, General Manager Business Services, General Manager Community Services and Executive Manager Quality, Risk and Compliance shall attend meetings as required, and provide information and support to the Committee.

The Company's External Auditor may attend any meeting as required.

Other Company executives and/or advisors and other parties external to the Company that the Chairperson of the Committee thinks fit may be invited to attend meetings.

The Chairperson of the Board will decide on any increases or decreases to the number of Directors on the Committee.

The Chairperson of the Committee shall have the power to co-opt suitably qualified external persons to join the Committee. Such co-optees shall be approved by the Board and shall be appointed for a period of three years and can seek reappointment for a further three years.

6. Chairperson

The Chairperson of the Committee must be a non-executive director and shall be appointed the Chairperson of the Board.

Should the Chairperson of the Committee be absent from a meeting, the Members of the Committee present shall appoint a Chairperson for that particular meeting.

7. Frequency of Meetings

The Committee shall meet at least three times per year.

8. Written Consent

Any action required or permitted to be taken at any meeting of the Committee may be taken without a meeting, if written consent is signed by all members of the Committee, provided that such written consent be filed with the Minutes of the proceedings of the Committee.

9. Quorum

A quorum shall consist of two Members of the Committee.

10. Communication

The Committee shall have direct communication channels with external people with expertise relevant to the work of the Committee, as appropriate.

11. Secretary

The Company Secretary or a designate shall be appointed Secretary of the Committee.

12. Minutes

Minutes of the meetings of the Committee shall be prepared by the secretary, as required, approved by the Chairperson of the Committee and circulated to all members of the Committee.

Minutes shall be circulated to all Directors with the papers for the next meeting of the Board of Directors.

Minutes of meetings shall be confirmed at the next scheduled meeting of the Committee

13. Reporting

To report regularly to the Board and make recommendations as appropriate.

14. Review

The Terms of Reference for the Committee will be approved by the Board and reviewed by the Board at least annually.