

# NATIONAL SENIORS AUSTRALIA

## AUDIT RISK AND FINANCE COMMITTEE CHARTER

### 1. INTRODUCTION

The purpose of the charter is to document the objectives, responsibilities and administration of the Board's Audit Risk and Finance Committee.

### 2. OBJECTIVES

The objectives of the Audit Risk and Finance Committee are to assist the Board to discharge its corporate governance responsibilities to exercise due care, diligence and skill on:

- Reporting financial information to users of financial reports
- Applying accounting policies
- Maintaining the independence of the company's auditors
- Financial management
- Internal control systems
- Risk management
- Complying with applicable laws and regulations
- Oversight of the investment policy.

### 3. DUTIES AND RESPONSIBILITIES

The committee examines any matters about the financial affairs of the company and about the external audit that it considers necessary. The committee also examines any other matters referred to it by the Board.

The main duties and responsibilities of the committee are as follows:

#### 3.1 Financial Information

- 3.1.1 To review the monthly financial information presented by management to the Board.
- 3.1.2 To review the company's annual financial statements draft before Board approval, focusing on:
- Significant changes in accounting policies and practices
  - Major judgemental areas
  - Significant departures from accounting standards
  - Compliance with statutory requirements for financial reporting.
- 3.1.3 Consider the effects on the company of any new or proposed accounting practices, principles, developments, disclosure requirements and legislative or regulatory pronouncements.

#### 3.2 Risks, Policies and Controls

- 3.2.1 Review the adequacy and monitor accounting control systems by reviewing the external auditor's written reports and by monitoring management's responses and actions to correct any deficiencies.
- 3.2.2 Monitor the application of the company's administrative, operating and accounting policies through reports from management and the external auditors.
- 3.2.3 Monitor from time to time the need for an internal audit function.
- 3.2.4 Review, monitor and assess the effectiveness and quality of the risk management processes and strategies.
- 3.2.5 Report all major strategic and operational risk matters to the Board in a timely manner including the management of those matters.

### 3.3 External Auditors

- 3.3.1 Recommend to the Board the appointment of external auditors and approve the payment of their annual fees.
- 3.3.2 Review the audit plans of the external auditors and ensure that no undue restrictions or limitations have been placed on the scope of work of the external auditors.
- 3.3.3 Review the performance of the external auditors annually.
- 3.3.4 Monitor the independence of the external auditors and their compliance with the requirements of the Corporations Act 2001 and professional standards as updated from time to time.
- 3.3.5 Ensure the annual financial statements provide a full analysis of the total fees paid to external auditors, including a breakdown of fees for non-audit activities.
- 3.3.6 Review the contents of the audit report and consider specific recommendations to the Board.

### 3.4 Oversight of National Seniors Australia investments

- 3.4.1 To review the Investment Policy annually and recommend any changes to the Board. To review the investment performance information provided by management.
- 3.4.2 Monitor the implementation by management of the investment processes and controls as outlined in the Investment Policy.
- 3.4.3 Receive a recommendation from management on the performance of the Investment Adviser.

### 3.5 Compliance with legal and regulatory obligations

Review all reports provided to the committee by executive management on:

- Corporate governance
- Regulatory or legislative changes, where applicable.

### 3.6 Other

- 3.6.1 Review the placement of the company's insurance program to ensure it meets the company's needs and aligns with the company's risk profile.
- 3.6.2 Identify any special projects or investigations deemed necessary.

## 4. ADMINISTRATION

### 4.1 Membership and attendance at meetings:

- The Board appointed committee consists of at least two (2) Board members and any other parties nominated by the Board.
- The chair of the Audit Risk and Finance Committee will be a Board member nominated by the Board from time to time.
- A quorum of the Audit Risk and Finance Committee is two (2) .
- The Audit Risk and Finance Committee will meet with the external auditors at least bi-annually, or additionally, at the request of the external auditors or the Committee.
- From time-to-time the Audit Risk and Finance Committee through the chair, may invite other people to attend committee meetings as it considers necessary. In particular, any Board member may attend by arrangement with the chair of the committee.
- The secretary of the Audit Risk and Finance Committee is the company secretary.

### 4.2 Meetings of the Audit, Risk and Finance Committee:

- Meetings are to be held prior to every Board meeting wherever possible. Special meetings may be convened as required to fulfil the committee's responsibilities.
- The external auditor may request a meeting of the Audit Risk and Finance Committee if they consider it necessary.
- Meetings may be held in person, by telephone or by video conference, or by any combination of these media.
- The secretary or other person nominated by the committee chair takes minutes of the proceedings of all meetings of the Audit Risk and Finance Committee.

### **4.3 Authority**

The committee is an advisory Committee of the Board and has no executive decision-making power.

The Board authorises the Audit Risk and Finance Committee, within the scope of its responsibilities and after informing the Board chair, to:

- Obtain any information it requires from any employee or external party.
- Obtain outside legal or other independent professional advice.
- Ensure the attendance of external parties with relevant experience and expertise.

The Committee is to report expeditiously to the Board on the outcomes of the information or advice received.

### **4.4 Board reporting**

The chair of the Audit Risk and Finance Committee reports to the Board after each meeting of the committee. The report covers the findings and recommendations of the committee and should cover any matters raised by the external auditor.

The minutes of all committee meetings are circulated to all Board members.

### **4.5 Other responsibilities**

To perform other oversight functions as requested and directed by the Board.

### **4.6 Review of charter and composition:**

- The Committee is to annually review its composition and charter at the meeting following the Annual General Meeting and recommend any changes to the Board.
- The Committee is to undertake an annual assessment of the Committee's own performance and report on that assessment to the Board.
- The Board annually reviews the composition of the Committee after receiving recommendations from the committee and ratifies the committee charter.