



Audit and Risk Sub-Committee Charter

1. Introduction

The Board of Adelaide Workers' Homes Incorporated (AWH) have established an Audit and Risk Committee ("Committee").

The **Audit and Risk** component exists to assist the Board of Trustees in fulfilling its statutory, corporate governance and oversight responsibilities in relation to audit and risk of AWH having regard to the law and best practice in accounting and other applicable standards.

The purpose, members, responsibilities, and powers of the **Audit and Risk** arm of the Committee are set out in this Charter.

2. Purpose

The objectives of the Committee are to assist the Board of Trustees to carry out its duties in the areas of the Committee's responsibilities by providing review, advice, and assistance in relation to:

- Overseeing the of AWH external and internal financial reporting, including its compliance with applicable laws, regulations and other requirements in relation to external financial reporting
- Reviewing the provision of high quality financial and non-financial information to be presented to the Board of AWH to facilitate the Boards making informed judgements
- Monitoring that appropriate and effective systems of internal controls, risk management and compliance are in place;
- Monitoring the effectiveness and integrity of any internal and the external audit function and be a forum for communication between the Board of Trustees and the external auditors; and
- Safeguarding the independence of the external auditor.

The Committee will work in conjunction with the Culture and Governance Committee to ensure the Group has and maintains appropriate corporate governance procedures.

3. Committee role and responsibilities – Audit & Risk

The Committee's main responsibilities are as follows:

Financial Reporting

- Review the appropriateness of AWH accounting policies and principles (particularly changes), as well as the methods of applying them, ensuring that they are in accordance with the required financial reporting framework and applicable accounting standards and in line with auditors expectations;

- Review and assess significant estimates and judgements in financial reports by making the appropriate enquiries of management about the processes used
- Seek the external auditor's opinion of the preceding points above;
- Review and assess management's processes for ensuring and monitoring compliance with laws, regulations, funding agreements and other requirements relating to the external reporting of Adelaide Workers' Homes Incorporated financial information;
- Review the Chief Executive Officer's declarations in relation to Adelaide Workers' Homes financial records and financial statements;
- Assess information from the external auditor that affects the quality of financial reporting; and
- Review and recommend the financial statements and other related documents to the AWH Board for approval.

External Audit

- Make recommendations to the AWH Board on the appointment and removal of the external auditor;
- Review and agree the terms of engagement for the external auditor;
- Review and approve external audit plans and monitor any change in scope
- Provide the opportunity for the Committee to meet with the external auditors without management personnel being present at least once a year;
- Monitor management's responsiveness to the external auditor's recommendations and compliance with relevant policy;
- Monitor the performance of the external auditor;
- Oversee the external auditor's independence and in particular any fees charged for work of a non-audit nature; and
- Determine that no management or other restrictions are being placed upon the external auditor.

Risk Management & Compliance

- Review the implementation and monitoring of the treatment and control of AWH risks and ensure that appropriate and effective risk management systems are implemented;
- Receive reports from the CEO on new and emerging risks and the risk controls and mitigation measures management has put in place to respond to these risks;
- Monitor management's performance against the risk management framework, including whether it is operating within the risk appetite set by the Board;
- Review the strategy and adequacy of the insurance program and oversight and monitor insurance notifications and claims as appropriate;
- Monitor the actions taken to address any material breaches or significant risk matters, including those which may impact AWH charitable status.
- Consider lessons learnt as part of the review of any material incident involving fraud or breakdown of the risk management or compliance systems;
- Endorse the AWH Whistleblowing framework.

4. Membership

All Committee members must be Trustees. The Committee will comprise a minimum of three members. The Board of Trustees will appoint the Committee members (including the Chair) and may remove or replace the Chair and Committee members by resolution.

The CEO shall have a standing invitation to attend the Committee meetings as a nonvoting member.

The Committee members have authority to directly request and access relevant information, to interview management and to directly access internal and external auditors on request.

The Committee is entitled to have access to and meet with advisors including legal advisors without executives or management of AWH being present.

5. Meetings

The Committee will meet at least three times per year, or more frequently as necessary. A quorum for any Committee meeting will be two members.

All Trustees are entitled to receive copies of Committee papers. The Committee agenda and papers will be circulated to the Committee members within a reasonable period in advance of each Committee meeting.

The Committee Chair or their nominee will be responsible for keeping minutes of Committee meetings. Minutes shall be distributed for approval to all Committee members and signed by the Chairman within one month.

6. Reporting

The Committee will make recommendations to the Board and the Chair of the Committee will provide regular updates to the Board about the Committee's activities.

Minutes of each Committee meeting will be tabled at the next Trustee meeting.

7. Access to independent advice

The Committee collectively, and each Committee member individually, has the right to seek independent professional advice as they consider necessary to fulfil their responsibilities and permit independent judgment in decision making, subject to the approval of the Chair of the Committee at the expense of AWH.

A Committee member will consult the Chair or the CEO before obtaining advice and the policy of the Board of Trustees is that external advice will be made available to all Trustees unless the Chair agrees otherwise.

8. Specific delegations from the Board of Trustees

The Committee is convened to provide advice to the Board and does not have a standing delegated authority. From time to time the Board may refer a specific program, project or initiative to the Committee to scrutinise, review and approve. Such a referral will include specific delegation of authority to the Committee for financial commitment and other parameters as required.

9. Review

This Charter will be reviewed every two years or more frequently as required.

10. Approval

This Charter was approved and adopted by the Board in June 2023.