

Audit & Compliance Committee Charter

The ARTC Board has established an Audit and Compliance Committee in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and PGPA Rule section 17 *Audit Committee for Commonwealth Entities*.

Purpose

The purpose of the Audit & Compliance Committee is to assist the Board in discharging its responsibilities under the *Corporations Act* and the *Public Governance, Performance and Accountability Act 2013* in respect of financial reporting, performance reporting, internal control, corporate governance, probity, due diligence and compliance with relevant laws and policies.

Within the enterprise wide strategic risk framework established by the Risk Committee, the Committee is responsible for oversight of the management of risks related to assets, finance, regulation (other than environment, work, health and safety regulation addressed by the Environment, Health and Safety Committee) and reputation. The Committee is not responsible for the executive management of these functions, but will have due regard to management's views and actions in formulating its advice to the Board. Excepting routine matters of administration, the Committee is to make recommendations to the Board on significant matters requiring policy change or decision.

Objectives

1. maintain true and fair reporting of financial information to users of financial reports, including the appropriateness and consistent application of accounting policies.
2. oversee and appraise the quality and independence of the audits conducted by the company's internal and external auditors (other than environment, work, health and safety matters that will be addressed by the Environment, Health & Safety committee).
3. maintain open lines of communication with the Board, the internal auditors and external Auditors, to exchange views and information as well as confirm their respective authority and responsibilities.
4. serve as an independent and objective party to review the financial and other due diligence policies and controls of the company.
5. determine the adequacy of the corporation's administrative, operating, accounting and due diligence policies and controls for normal business operations and major project administration (other than environment, work, health and safety matters that will be addressed by the Environment, Health & Safety committee).
6. monitor the quality and effectiveness of financial risk management, control management and governance systems and processes (other than environment, work, health and safety matters that will be addressed by the Environment, Health & Safety committee).
7. review the effectiveness of the company's system for monitoring compliance with laws and regulations relating to the company's financial affairs

Membership

The Committee will comprise at least three non-executive directors appointed by the Board, one of whom will act as Committee Chairman, and be free from any relationship that might in the opinion of the Board be construed as a conflict of interest. Pursuant to the ANAO guidelines, membership of the Committee will not include the Chairman of the Board and the Chief Executive Officer.

Any other non-executive director can be asked to attend a meeting of the Committee.

Non-executive directors can attend as ex officio members of the Committee.

The Chairman cannot be the Chairman of the company.

The Chief Executive Officer (CEO), the Chief Financial Officer, and other company executives and internal and external auditors will attend by invitation.

Terms of Committee Membership

Each member of the Audit & Compliance Committee established under article 10.7 of the Constitution will serve in accordance with their term as a Director of the Company.

Delegation of the Committee

Pursuant to article 10.7(c) of the Constitution, Directors may authorise the Committee to further delegate any or all of the powers delegated to it.

Committee Assessment Process

The effectiveness of the Committee will be assessed as part of the comprehensive annual Board Evaluation process, to ensure that the Committee structure and capabilities are aligned to the overall business strategy.

Meetings

The Committee will meet as often as required to fulfil its duties, and is to meet at least four times each year and as may otherwise be determined by the Chairman of the Committee. The Committee will meet at least once per annum with the internal and external auditors without management in attendance.

In addition, the Chairman is required to call a meeting of the Committee if requested to do so by any committee member, the company's CEO, the Chief Financial Officer or the internal or external auditors. A quorum will consist of at least two Committee members.

The Secretary of the Committee will be the Company Secretary who will be responsible for keeping minutes of meetings of the Committee. These minutes will be included in the papers of the next company Board meeting following their completion.

At the next Board meeting after each Committee meeting the Chairman will provide a verbal summary report to the Board, highlighting issues requiring the attention of all Board members or decision by the Board.

Access

The Committee will have unrestricted access to the internal and external auditors and legal advisers.

It will also have access to senior management of the company in accordance with the company's Protocol from time to time for such access.

The Committee will also be able to consult independent experts where this is considered necessary to enable the Committee to carry out its duties and responsibilities.

Committee Program

There should be not less than four Committee meetings each year at which all responsibilities and duties of the Committee must be covered. While some of these responsibilities and duties might be covered only once during the year, there may be others such as independence of auditors, the monitoring of internal audit plans, work programs and specific action plans of internal audit and management, requiring consideration at each meeting.

For a specific purpose nominated by the Chairman of the Committee, any other non-executive director can be asked to attend a meeting of the Committee.

Duties and Responsibilities	Nov	Feb	May	July	Aug
1. review the audit plan of the external auditors and ensure no unjustified restrictions or limitations have been placed on the scope of the plan		✓			
2 (a). recommend to the Board the appointment of the internal auditor					✓
2 (b). review the auditor's independence, effectiveness and quality of services provided; including meeting separately with ARTC'S internal and external auditors, independently of management.					✓
3 (a). review the draft audit plan of the internal auditors to ensure no unjustified restrictions or limitations exist and for effectiveness		✓			
3 (b). review the audit plan of the internal auditors to ensure no unjustified restrictions or limitations exist and for effectiveness, and if satisfied, approve the plan			✓		
4. oversee and appraise progress against the audit plan and the annual audit budget	✓	✓	✓	✓	✓
5. monitor the adequacy, integrity and effectiveness of the company's control systems by reviewing written reports from the internal and external auditors, and monitor management's responses and actions to correct any noted deficiencies	✓	✓	✓	✓	✓
6. oversee adequacy, quality and effectiveness of risk source management systems relating to governance, finance, assets, regulation (other than environment, work, health and safety matters addressed by the Environment Health and Safety Committee) and reputation; including due diligence		✓			✓
7. evaluate any relevant potential exposure to the company pursuant to its accountabilities and responsibilities under the <i>Governance Arrangements for Commonwealth Government Business Enterprises</i>			✓		
8. review the Annual Report, including the annual statutory financial statements and determine whether they are complete and consistent with the information known to Committee members, and assess whether the financial statement reflect appropriate accounting principles				✓	✓
9. recommend acceptance of the statutory					✓

Duties and Responsibilities	Nov	Feb	May	July	Aug
financial statements to the Board					
10. review and oversight the company's taxation strategies and philosophies and overview the company's compliance with them					✓
11. review of Committee's Terms of Reference	✓				
12. review the effectiveness of the company's system for monitoring compliance with laws and regulations				✓	
13. report on findings of wrongdoing with regard to fraud or whistleblowing activity	✓	✓	✓	✓	✓

In addition, the committee may inquire into any matter or thing which the Committee deems appropriate for the purposes of informing itself of any issues which the Committee believes should be the subject of the Board's consideration.

April 2022