

AUDIT AND RISK COMMITTEE CHARTER

1. Purpose

- 1.1 This Charter sets out the role, responsibilities, membership, authority and operation of the Audit and Risk Committee (**the Committee**) as authorised by the Board of Directors (**Board**) of Catholic Archdiocese of Canberra and Goulburn Education Limited (**the Company**).

2. Authority

- 2.1 The Committee is a committee of the Board established in accordance with the Company's constitution and is authorised by the Board to monitor the activities of the Company, to provide oversight within the Committee's areas of responsibility and to assist the Board in the governance of the Company.
- 2.2 The Board authorises the Committee, within the scope of its responsibilities; to:
 - a. obtain any information it requires from any employee or external party, including Management and internal and external stakeholders and to discuss matters with or without Management present; and
 - b. With the consent of Chair of the Board, obtain internal or outside legal advice or other independent expert professional advice where the Committee considers it necessary
 - c. meet "in camera" as and when required.
- 2.3 The Committee must exercise its powers in accordance with the directions of the Board and in accordance with this Charter.

3. Role of the Committee

- 3.1 The role of the Committee is to provide advice and to assist the Board in carrying out its accounting, auditing, financial reporting, risk management and compliance responsibilities, including:
 - a. overseeing the integrity of the Company's external financial reporting and financial statements;
 - b. provision of advice to the Board on the performance of the internal and external audit function and review of their audits;
 - c. assessing the effectiveness of the Company's system of risk management and internal controls; and
 - d. reviewing the Company's systems and procedures for compliance with applicable legal and regulatory requirements.
- 3.2 In performing its role, the Committee should act at all times in a manner consistent with the Company's stated purpose and values, in good faith and in the best long-term interests of the Company, and to further the apostolic and charitable objectives of the Company.

4. Audit and Risk Responsibilities

4.1 External Reporting

The Committee is responsible for:

- a. reviewing the appropriateness of the accounting principles adopted by Company management in the composition and presentation of financial reports;
- b. overseeing the preparation of financial reports and reviewing the results of external audits of these reports;
- c. assessing significant estimates and judgments in financial reports by examining the processes used to derive material estimates and judgments and seeking verification of those estimates from external auditors;
- d. reviewing other sensitive matters in the financial reports, such as the disclosure of unusual, non-recurring, complex or related party transactions;
- e. reviewing Management's processes for ensuring and monitoring compliance with laws, regulations and other requirements relating to the preparation of accounts and external reporting by the Company of financial and non-financial information;
- f. assessing information from external auditors that will impact the quality of financial reports;
- g. asking the external auditor for an independent judgment about the appropriateness of the accounting principles used and the clarity of financial disclosure practices used by the Company;
- h. reviewing any material changes in accounting or reporting requirements, and assessing subsequent effects on the Company's financial statements, policies, and practices; and
- i. recommending to the Board whether the financial and non-financial statements should be signed based on the Committee's assessment of them.

4.2 External Audit

The Committee is responsible for:

- a. monitoring the effectiveness and independence of the external auditor, and periodically assessing their performance (including reviewing and assessing the independence of the external auditor on an annual basis);
- b. inviting the external auditor to attend Committee meetings to review the external audit plan, discuss audit results and consider the implications of external audit findings;
- c. reviewing the scope of the external audit, including identified risk areas and any additional procedures, with the external auditor on a periodic basis;
- d. raising with the external auditor any specific points of divergence with the Company's management;
- e. monitoring and examining Management's response to the external auditor's findings and recommendations;
- f. reviewing all representation letters signed by Management and ensuring all information provided is complete and appropriate;
- g. meeting with the external auditor without Management present at least once a year to discuss the quality of the Company's accounting principles, material judgements, and any other matters that the Committee or external auditors deem appropriate.

4.3 Internal Control and Risk Management

The Committee is responsible for:

- a. Overseeing the development of the risk framework which describes the strategic and operational risks facing the Company including financial and non-financial matters;
- b. regularly reviewing and updating the risk framework;
- c. ensuring that the Company has an effective risk management system;
- d. reviewing and making recommendations on the strategic direction, objectives, and effectiveness of the Company's financial and operational risk management policies;
- e. examining and evaluating the effectiveness of the internal control system with Management, internal auditors and external auditors and making recommendations for improvement;
- f. making recommendations to the Board in relation to the main risks that could affect the Company's prospects in future financial years;
- g. evaluating the adequacy and effectiveness of the management reporting and the internal control systems used to manage risk;
- h. evaluating the structure and adequacy of the Company's insurances on an annual basis; and
- i. meeting periodically with key Management, internal auditors, external auditors, and compliance staff to understand the Company's control environment.

4.4 Internal Audit

The Committee is responsible for:

- a. Recommending to the Board the annual internal audit plan including resourcing, considering its coverage of material risks at the company level and monitoring progress against the plan;
- b. assessing the performance, independence, and objectivity of the Internal Audit function, including any external audit partners engaged;
- c. reviewing the results of internal audits undertaken and the issues raised by them and monitoring Management's responsiveness to Internal Audits findings and recommendations including Management's progress in resolving them; and
- d. maintaining a separate reporting line from the Internal Audit function to the Committee, via the Committee Chair, to permit a full and frank exchange of information.

4.5 Compliance Responsibilities

The Committee is responsible for:

- a. assessing and ensuring that there are internal processes for determining and managing key risk and compliance areas, such as:
 - (i) non-compliance with laws, regulations, standards, occupational health and safety, and privacy and information security; important judgments and accounting estimates; business licence requirements; litigation and claims; fraud and theft; and relevant business risks not dealt with by other Board Committees;
 - (ii) receiving reports concerning material and actual incidents within the risk areas above and ensuring that material risks are reported to the Board at least annually;
 - (iii) overseeing investigations of breaches or potential breaches of internal controls, and incidents within the risk areas above, particularly in relation to accounts and financial reporting;

- (iv) monitoring procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal financial controls and auditing matters, and procedures for the anonymous submission of concerns by personnel regarding accounting and auditing matters;
- (v) reviewing the Company's policy framework;
- (vi) reviewing the process for communicating the Company's policies to employees, students, and external stakeholders and for monitoring compliance with those policies;
- (vii) receiving periodic reports from Management on the operation of, and incidents or breaches reported under, the Company's policies including the Whistle-blower Policy and ensuring that material incidents and breaches are reported to the Board;
- (viii) reviewing the findings of any examinations by regulatory agencies and authorities; and
- (ix) reviewing the procedures in place to ensure compliance with disclosure requirements and other ACNC corporate governance requirements.

5. Related party Transactions

- 5.1 The Committee is responsible for reviewing and monitoring the propriety of related party transactions.

6. Committee Composition

- 6.1 Committee membership will comprise of a minimum of five members (including the Chair) and a maximum of nine members as appointed by the Board.
- 6.2 In making these appointments, the Board will ensure that Committee members do not have any business or other relationships which could interfere with or be reasonably perceived to have the potential to interfere with their capacity to exercise independent judgement.
- 6.3 The members of the Committee, taken collectively, will have a broad range of skills and experience relevant to the operations of the Company. Including:
 - a. at least one member will have accounting or related financial management expertise; and
 - b. at least one member will have Risk Management expertise.
- 6.4 The Board is responsible for the appointment and removal of Committee members.
- 6.5 Committee members will be appointed for a specified period (2-3 years) as determined by the Board and are eligible for reappointment at the conclusion of their term as agreed by the Board noting that a change in the composition of the Committee must occur every three years.
- 6.6 Once per year, Committee members will provide written declarations to the Company Secretary for provision to the Board declaring any potential or actual conflicts of interest they may have in relation to their responsibilities.
- 6.7 The Secretariat of the Committee is the Company Secretary of the Company (or their delegate), or another person as nominated by the Board as Secretariat.

7. Meetings

- 7.1 Meetings of the Committee must be held no less than four times each calendar year and special meetings may be convened as required.

- 7.2 A quorum is constituted by a majority of Committee members.
- 7.3 All Directors of the Board who are not members of the Committee shall have the right to attend meetings of the Committee.
- 7.4 Non-members may attend meetings of the Committee, by standing invitation, including:
 - a. Chief Financial Officer;
 - b. General Counsel;
 - c. Risk Advisor;
 - d. External Audit Provider;
 - e. Chief Information Officer; and
 - f. Finance Compliance Manager.
- 7.5 With the approval of the Chair, other attendees may be invited to attend meetings as required.
- 7.6 Non-members may take part in the meeting proceedings and discussions, however, may be asked to leave the meeting in circumstances where the committee require a closed (in-camera) session.
- 7.7 Meetings may be held in person or via video conference.
- 7.8 Additional meetings may be convened as determined by the Chair to enable the Committee to conduct its functions.
- 7.9 Committee members are required to disclose any conflicts of interest (whether actual or perceived) at the commencement of each meeting.

8. Board Reporting

- 8.1 The Chair of the Committee must:
 - a. ensure that regular reports (written or verbal) are given to the Chair of the Board after each Committee Meeting;
 - b. ensure the minutes of all Committee meetings are circulated to all Board Directors and the Company Secretary, along with any recommendations to the Board; and
 - c. be available to answer questions from the Board on matters within the Committee's responsibilities.

9. Committee Administration

- 9.1 A meeting pack containing an approved agenda, the previous meeting minutes, action item register and all relevant papers will be distributed to the Committee by the Secretariat no less than five business days prior to the scheduled meeting.
- 9.2 The Secretariat (who is not a Committee member) shall record the proceedings of the meeting and distribute the Chair-approved minutes to members for comment within ten business days of the meeting.
- 9.3 The previous set of meeting minutes will be endorsed by members at the subsequent meeting.
- 9.4 All attendees must declare any potential conflicts at the start of each meeting or before discussions of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately recorded in the minutes of the meeting.

10. Assessment and Review

- 10.1 The Committee shall review its performance on an annual basis and refer findings and actions arising from the review process to the Board.
- 10.2 The Charter for the Committee shall be reviewed on an annual basis (or at other times as deemed necessary by the Board) and any amendments recommended to the Board for approval.

Approved by:	CACGEL Board
Implementation Date:	1 January 2025
Revision Date:	1 July 2025
Contact Area:	Office of the Company Secretary
Version:	Version 1.0