

Australian Military Forces Relief Trust Fund (AMFRTF)

AUDIT COMMITTEE CHARTER

Introduction

1. The AMFRTF Board of Trustees has established the Audit Committee, in compliance with *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* and *the Services Trust Fund Act 1947* with respect to its financial and performance reporting, internal control and compliance obligations.
2. The PGPA Act requires that accountable authorities of Commonwealth entities ensure their entity has an audit committee (subsection 45(1)) and that committee performs functions in accordance with any requirements prescribed by the associated rules (subsection 45(2)).

Role of Audit, Risk and Performance Committee

3. The Committee has been established to assist the Trustees in fulfilling its responsibilities by giving additional assurance including through:
 - a. overseeing and appraising the quality of audits conducted by external auditor; determining the adequacy of management's operating and accounting internal controls; and
 - b. advising Trustees on the entity's financial affairs, performance and risks to enable responsible management and legislative compliance.
4. This Charter sets out the Committee's role, authority, objectives, composition, meeting arrangements, responsibilities and reporting arrangements.
5. The Committee is not responsible for the management of Trust operations. The Committee has no executive or supervisory authority over the entity's operations. The Committee will engage with the management team in a constructive and professional manner in discharging its role and in formulating advice to the Board of Trustees.

Responsibilities of the Committee

6. The Board of Trustees authorises the Committee, within the scope of its role and responsibilities, to
 - a. obtain any information it requires from any internal or external party – subject to any legal obligation to protect information;
 - b. discuss any matters with internal or external parties – subject to confidentiality; and
 - c. request the attendance of internal or external parties, including Trustees, at Committee meetings where appropriate; and

- d. obtain external legal or other professional advice, as considered necessary and subject to financial delegation approval, to fulfil its role and responsibilities.
7. To fulfil its role the Committee will;
- a. provide enhanced confidence in the credibility and objectivity of financial information released to regulatory authorities and to Trustees;
 - b. provide Trustees with insights into the entity's accounting and control systems and suggest to maintain and improve these operating controls;
 - c. provide a forum to raise issues of concern relating to finance, audit, performance and risk matters;
 - d. present to Trustees at least quarterly financial literary options designed to increase Trustees' understanding of the nature and scope of external and internal audit activities;
 - e. develop and strengthen the Committee's internal audit program; and
 - f. facilitate communication between external auditors and the Board of Trustees.

Membership of the Committee

8. The Committee shall consist of a minimum of three independent members. The Fund Secretary and other management team representatives shall also participate to brief the Committee on management operations, performance and risk.

9. The Committee Chair will be independent of the Board of Trustees. The committee is authorised to appoint a Deputy chair who will act as chair in the absence of a Chair.

10. Trustees including the Chair of Trustees may be invited to attend committee meetings. Advisers and other external parties may also be invited to committee meetings, as the Chair and the Committee consider appropriate.

11. Committee membership shall be reviewed periodically. The Committee to ensure an appropriate balance between continuity of membership, fresh perspective and a mix of qualifications, knowledge skills and experience.

12. A quorum of the meeting will consist of two member of the committee.

13. An independent member may be appointed for an open-end period. However, an individual appointment will be reviewed by the Committee annually.

Frequency of Meetings

14. The Chair of the Committee will determine the frequency of committee meetings in order to deliver strategic guidance to the Board of Trustees.

15. The Committee shall meet a minimum of four (4) times per financial year, and may meet more frequently as determined by the Committee Chair. Meetings should normally be conducted at least one week prior to scheduled meetings of Trustees. An additional, special meeting may be called to review of end of year financial and performance statements.

16. The content of meetings shall be determined in accordance with the Committee's annual work plan as agreed and reviewed at least annually between the Committee Chair and the management team. The Chair will appoint a minute taker at each meeting. Minutes are to be circulated to participants for any comment and concurrence within two weeks after the meeting date.

17. The Chair of the Committee will call a meeting if so requested by any committee member, any Trustee, the Fund Secretary or any other relevant stakeholders.

18. Any action required or permitted to be taken at any meeting of the Committee may be taken without meeting in person, if written email consent is received from all members of the Committee.

Responsibilities of the Committee

19. In fulfilling the Committee's roles and responsibilities as outlined in paras 1-6 above, the Committee shall consider any matters relating to internal and external audit, and any other matter referred to it by the Board of Trustees.

a. **Financial reporting.** Financial reporting may include reviewing quarterly and annual financial statements and providing advice to the Board of Trustees recommending their signing. In doing so the committee will;

- assess the AMFRTF's compliance with accounting standards and the appropriateness of accounting policies and disclosures;
- assess areas of material judgement and financial statement balances that require estimation;
- assess any material changes to accounting policies and procedures;
- review any material or unusual transactions; and
- assess whether appropriate action has been taken in response to any issues raised by the external auditor.

b. **Performance reporting.** Performance reporting may include:

- considering any issues relating to AMFRTF performance the committee warrants review, and
- monitor the standard of non-financial performance information provided to the Board of Trustees.

c. **Risk oversight and management.** Risk oversight and management may include reviewing at least annually. AMFRTF's Risk Management and Fraud Control Plan to determine the adequacy and appropriateness of the entity's risk management.

20. **Legislative compliance.** The legislative compliance may include to assess the entity's compliance with legal and regulatory requirements and reporting responsibilities.

21. **Conflicts of interest.** Responsibilities in relation to conflicts of interest may include reporting to the Board of Trustees at least annually that processes, procedures and compliance are assured.