



Audit and Risk Management Committee Charter

The Sax Institute
ACN 095 542 886

A public company limited by guarantee

16 March 2022

The Sax Institute

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Audit and Risk Management Committee Charter,
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Contents

1 Introduction	1
2 Role and Responsibilities	1
2.1 Role of the Committee	1
2.2 Responsibilities of the Committee.....	1
Composition and Meetings	2
3.1 Appointments and Composition	2
3.2 Meetings	3
4 Review	3
5 Reporting to the Board	3

1 Introduction

1. The Audit and Risk Management Committee (ARMC) is a committee of the Board of The Sax Institute
2. This Charter sets out the role, responsibilities, composition and operation of the Committee
3. A term or expression starting with a capital letter has the meaning given to it in the Board Charter.

2 Role and Responsibilities

2.1 Role of the Committee

1. To assist and advise the Board in fulfilling its responsibilities regarding the Company's financial reporting, internal control framework, risk management system and audit management, including:
 - a. compliance with legal and regulatory obligations and standards
 - b. the integrity of financial reporting for the Company
 - c. oversight of the independence of the external auditors
 - d. the effectiveness of the Company's enterprise-wide financial and risk management and internal control framework.

2.2 Responsibilities of the Committee

1. To assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to the following areas:
 - a. Financial management, including:
 - i. reporting of financial information
 - ii. monitoring the financial position and performance of the organisation
 - iii. the integrity of the annual budget process
 - iv. application of accounting policies and effective financial management strategies, policies, processes and procedures.
 - b. Audit issues, including:

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- i. facilitating communication between the Board and the external auditors and maintaining of the independence of the external auditor
 - ii. consideration of significant matters that were raised during the audit process
 - iii. assessment of the overall effectiveness and independence of the external auditor
 - iv. making a recommendation to the Board regarding the appointment or dismissal of an auditor for the following year.
 - c. Risk management and compliance, including:
 - i. application of a robust risk management policy, system and practices that support understanding of the causes, effects and consequences of risks to aid effective controls and mitigation
 - ii. reviewing and maintaining an appropriate internal control framework and system
 - iii. insurance coverage for the organisation and the Directors and Officers
 - iv. compliance with applicable laws, regulations, standards and Code of Conduct policy.
 - d. Other responsibilities
 - i. perform other activities related to this charter as requested by the Board
 - ii. ensure appropriate disclosure as may be required by law or regulation

3 Composition and Meetings

3.1 Appointments and Composition

1. The Committee shall be constituted of not less than three (3) members including at least two (2) Directors, assisted by the Chief Executive Officer, the Company Secretary and Head, Business Services Transformation
2. The Board shall appoint both the Chair, who shall be an independent director but not the chair of the Board, and the members of the Committee. The Board may by way of resolution remove or appoint Committee members at any time
3. The Board shall ensure the Committee remains of sufficient size, independence and technical expertise to discharge its mandate effectively
4. Each member of the Committee must abide by the Company's Code of Conduct Policy and be free of any relationship that may interfere with the exercise of independent judgement

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5. The Committee has direct access to the Institute's officers and advisers, both external and internal, and has the authority to seek external independent, professional or other advice it requires to assist with meeting its responsibilities.

3.2 Meetings

1. Meetings of the Committee will be held at a minimum of four times per annum or as requested by the Board
2. A quorum shall be a minimum of three Committee members
3. Meetings of the committee may be held face to face or using any technology which enables members to participate in a discussion
4. All Directors are to be advised of scheduled meeting dates for the Committee. Any Board member who is not a member of the Committee may attend meetings of the Committee
5. Non-committee members, including members of management, may attend all or part of a meeting of the Committee at the invitation of the Committee Chair
6. The CEO, Company Secretary, Head of Finance and Head, Business Services Transformation shall be invited to attend the Committee but must not be present during discussion on any matters that the Committee deem not to be appropriate.

4 Review

1. The Committee shall review this Charter at least every two years to provide assurance that it remains consistent with the Board's objectives and responsibilities
2. The Board must approve any amendments made to the charter as a result of any review.

5 Reporting to the Board

1. The Committee Chair or delegate will report the outcome of deliberations to the Board following each meeting.



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