



PS&C Limited ACN 164 718 361 (Company)

# Audit and Risk Management Committee Charter

Last reviewed and adopted by the Board on 28th August 2019



PS+C

# Audit and Risk Management Committee Charter

## 1. Role of the Committee

- 1.1 The role of the Audit and Risk Management Committee is to assist the Board in discharging its obligations with respect to ensuring:
- 1.1.1 The correctness and reliability of financial information prepared for use by the Board; and
  - 1.1.2 The integrity of the Company's internal controls affecting the preparation and provision of that financial information in determining policies or for inclusion in the financial report.

## 2. Composition and administration

### Composition

- 2.1 The Committee, of at least 2 Directors, will be appointed by the Board and so far as possible will:
- 2.1.1 2.1.1 comprise 2 non-executive Directors;
  - 2.1.2 be chaired by a Director who is not Chairman of the Board and is otherwise independent;
  - 2.1.3 have at least 1 member with financial expertise (for example, a qualified accountant or other professional with financial and accounting experience);
  - 2.1.4 have at least 1 member with an understanding of the industry in which the Company operates; and
  - 2.1.5 the Board will confirm membership of the Committee each year.

### Administration and procedures

- 2.2 The Committee will regulate itself consistently with the procedures set out in section 4 of the Corporate Governance Charter.



### 3. Specific Responsibilities of the Committee

#### Audit responsibilities

- 3.1 Monitor and make recommendations to the Board on the effectiveness of the Company's external audit function.
- 3.2 Make recommendations to the Board in regard to:
  - 3.2.1 The scope of internal and external audit and the development of audit plans; The process for putting the external audit out to tender at least once every 5 years;
  - 3.2.2 The appointment of the external auditors; and
  - 3.2.3 Any exceptions or qualifications reported, or recommendations made by the external auditor in the auditor's opinion and management letter.
- 3.3 Directly oversee the external audit tender process, including at least 2 of the members of the Audit Committee on the interview panel for the tender.
- 3.4 Review the form and content of representation letter/s provided by the external auditors and management representation letters provided to the external auditors.
- 3.5 Monitor implementation of any actions required by the Board to be taken by management to address any exceptions or qualifications reported and recommendations made by the external auditor.
- 3.6 Liaise with the external auditors, including at least 2 meetings each year with the auditors. A portion of those meetings, dealing with the preparation of the audited accounts of the Company, should take place in the absence of all management.

#### Accounting policies

- 3.7 Review and make recommendations to the Board in relation to accounting policies or required changes to the major accounting policies of the Company.
- 3.8 Monitor compliance by management with all approved accounting policies of the Company.



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### **Risk and Compliance**

- 3.9 Monitor the effectiveness of the Company's risk and compliance internal controls and systems and make recommendations to the Board when necessary.
- 3.10 Regularly consider and monitor the Company's exposure to significant risks and make recommendations to the Board in respect of such monitoring findings, including strategic and operational improvements in risk management planning and implementation and insurance strategies.
- 3.11 Oversee the development by Management of risk management plans and make recommendations to the Board.
- 3.12 Monitor the implementation of approved risk management plans throughout the Company.
- 3.13 Monitor compliance with relevant legislative and regulatory requirements (including continuous disclosure obligations) and declarations by Management in relation to those requirements.
- 3.14 Ensure completion of the Company's annual corporate governance statement for inclusion in the annual report of the Company, as required by ASX Good Governance Principles.

### **Integrity of Audit and Risk Controls**

- 3.15 Evaluate the adequacy and effectiveness of the internal financial and other controls used by the Company to ensure the accuracy and integrity of all information provided to the Board and to others outside the Company.
- 3.16 Where the Committee considers it necessary, it will enquire into the resources, systems and controls of the Company as they affect the audit, financial management, risk or compliance functions or the integrity of the systems and controls relating to those functions, and will make any resulting recommendations to the Board.



### 4. Authority and powers

#### Authority

- 4.1 The Committee has authority to:
- 4.1.1 Investigate any matter brought to its attention;
  - 4.1.2 Have direct access to any employee or contractor of the Company and obtain any information that it requires from any employee or contractor in order to discharge its responsibilities;
  - 4.1.3 Have direct access to independent auditors, lawyers, company, tax and other financial advisors and company documents.

#### Powers

- 4.2 The Committee has an advisory role to assist the Board and does not have any power to commit the Board to any recommendation or decision made by it except if it has express delegated authority from the Board.

### 5. Audit engagement policy

- 5.1 The Committee's criteria for selecting external auditors includes the following:
- 5.1.1 The extent of any current or past connection or association with the Company or with any member of senior management that could in any way impair, or be seen to carry with it any risk of impairing, the independent external view they are required to take in relation to the Company.
  - 5.1.2 Their general reputation for independence and probity and professional standing within the business community;
  - 5.1.3 The extent to which audit staff employed by the external audit partner, including the partner with overall responsibility for the engagement, are required to be rotated periodically and, in any event, at intervals not exceeding 5 years in order to avoid risk of impairing the independent external view that the external auditors are required to take in relation to the Company.

### 6. Audit process

6.1 The Committee has adopted by the following audit planning process:

6.1.1 As required during the year, it will:

(a) Discuss the external audit plan, any significant issues that may be foreseen and the impact of any proposed changes in accounting policies on the financial statements;

(b) Review the nature and impact of any changes in accounting policies adopted by the Company during the year and the fees proposed for the audit work to be performed; and

(c) Organise, review and report on any special reviews or investigations deemed necessary by the Board.

6.1.2 Prior to announcement of results, the Committee will:

(a) Make the necessary recommendation to the Board for the approval of relevant documents;

(b) Review the results and findings of the audit (or audit review), the adequacy of accounting, financial and operating controls and the implementation of any recommendations made; and

(c) Review the pro-forma half-yearly and pro-forma preliminary final report, draft financial report and the audit report (or audit review report) and make the necessary recommendations to the Board for the approval of the financial report.

### 7. Charter reviews

7.1 This Charter will be reviewed and, if appropriate, updated by the Board on recommendation from the Audit and Risk Management Committee every 2 years.



## About PS+C Limited

We design and develop solutions that connect our clients with their customers, strengthen the security of their operations, streamline their processes and sharpen their competitive advantage.

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