



**Mining and
Automotive**
Skills Alliance

Finance, Audit and Risk Committee Charter

Version 1.0

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2. Introduction

The Mining and Automotive Skills Alliance Ltd (AUSMASA) Board's Finance, Audit and Risk Committee has been established as a sub-committee of the Board of AUSMASA to facilitate the implementation of robust governance principles and practices in the areas of Finance, Audit and Risk.

2.1. Purpose

The AUSMASA Board's Finance, Audit and Risk Committee will assist the Board in discharging its responsibilities regarding AUSMASA's financial management and performance reporting, risk and control frameworks, and the organisations external financial reporting responsibilities.

The Finance, Audit and Risk Committee will review, monitor and where necessary recommend improvements to:

- a) The financial management framework and performance reporting processes.
- b) The efficiency and effectiveness of AUSMASA's risk management system and internal controls.
- c) Compliance with applicable laws, regulations, ethical standards and best practice guidelines.
- d) The application of accounting policies.
- e) The performance of the external audit and internal assurance activities of AUSMASA

The Finance, Audit and Risk Committee is not responsible for the executive management of these functions. The Committee will engage with management in a constructive and professional manner in discharging its responsibilities and formulating its advice to the Board.

2.2. Guiding Principles

Members of the AUSMASA Board's Finance, Audit and Risk Committee are expected to:

- a) Act in the best interests of AUSMASA
- b) Apply good analytical skills, objectively and with sound judgement.
- c) Maintain confidentiality with all AUSMASA-related documents and information that are not publicly available or have yet to be published.
- d) Freely express opinions respectfully, constructively, and openly raise issues that relate to the Committee's responsibilities.
- e) No member of the Committee shall have a personal financial or non-financial interest in the committee's decisions, findings, or recommendations to the AUSMASA Board.

3. Responsibilities

3.1. Financial Management and Performance Reporting

The AUSMASA Board's Finance, Audit and Risk Committee will:

- a) Review and recommend to the Board for approval the financial reports and statements, including whether they are complete, consistent with the Committee members' information and knowledge and reflect appropriate accounting standards and principles.
- b) Monitor internal controls, systems, and procedures, particularly related to financial transactions and potentially fraudulent activities.

- c) Ensure appropriate financial performance frameworks and metrics are established.
- d) Review and recommend to the Board all significant changes in AUSMASA's accounting policies.
- e) Receive advice on remuneration and performance from the Remuneration Committee

3.2. Risk Management

The AUSMASA Board's Finance, Audit, and Risk Committee will:

- a) Ensure an appropriate overall risk management framework is in place with regular reporting to the Board.
- b) Review the risk management framework a minimum of twice per year or as required to ensure it is relevant to AUSMASA's strategic goals.
- c) Evaluate the overall effectiveness and assurance of internal controls.
- d) Ensure key risks are being identified and appropriately managed and, where necessary, reported to the Board.
- e) Review AUSMASA's business continuity processes.
- f) Oversee insurance programs to ensure appropriate coverage by reputable insurers at competitive premium levels regarding the organisation's circumstances and need.
- g) Ensure an appropriate risk-aware culture is embedded throughout the organisation.

3.3. Compliance with laws, regulations, and internal Policies

The AUSMASA Board's Finance, Audit, and Risk Committee will:

- a) Obtain regular updates from the management team about compliance matters that may have a material impact on AUSMASA's financial statements, strategic goals, Workplace Health and Safety (WHS), or reputation.
- b) Review the effectiveness of the system and controls for monitoring compliance with laws, regulations and internal policies and the results of the management teams' investigations and responses (including disciplinary action) to fraudulent acts or non-compliance with AUSMASA's policies.
- c) Ensure a culture of cyber resilience and risk awareness is embedded across the organisation.
- d) Take an active interest in ethical considerations regarding AUSMASA's policies and practices.
- e) Monitor the standard of AUSMASA's conduct in areas such as actual, potential or perceived conflicts of interest.

3.4. External Audit

The AUSMASA Board's Finance, Audit, and Risk Committee will:

- a) Oversee the effectiveness of the external audit function.
- b) Provide a forum for communication between the board and the external auditors.
- c) At the discretion of the Committee, hold a discussion with the external auditor before the audit commences about the nature and scope of the audit and to ensure coordination between the organisation and the external auditor.
- d) Determine that no management restrictions are being placed on the external auditor.

- e) Review external audit reports and ensure any identified deficiencies in internal controls are given adequate attention by the management team.
- f) Review the management team's responses to external audit reports as required.
- g) Ensure the management team adopts, where appropriate, recommendations from external and internal audits and reviews.
- h) Consider the independence of the external auditor.
- i) Make a recommendation to the board about the appointment of the external auditor.

4. Authority

The AUSMASA Board authorises the Finance, Audit and Risk Committee, within the scope of its duties and responsibilities to:

- a) Make recommendations to the AUSMASA Board.
- b) Obtain any information it requires from the management team, employees or external parties as required.
- c) Obtain expert advice where necessary following consultation with the Board Chair.
- d) Request the attendance at Committee meetings of any person who may assist the Committee in performing its functions.
- e) Establish sub-committees, as required, to assist the committee in executing its responsibilities.
- f) Investigate other matters brought to its attention or requested by the AUSMASA Board.

5. Committee Composition

The composition of the AUSMASA Board's Finance, Audit and Risk Committee will be:

- a) A minimum of three AUSMASA non-executive Board Directors.
- b) Between one and three non-Board members. One of which will be the CEO of AUSMASA.
- c) A total committee membership of between four and six members, inclusive of the Committee Chair.
- d) The Chair of the Committee will be appointed by the AUSMASA Board and be someone other than the Chair of the AUSMASA Board.
- e) Membership of the Finance, Audit and Risk Committee will be reviewed annually, and members are eligible for reappointment.
- f) The AUSMASA Board confirms membership of the Finance, Audit and Risk Committee annually in alignment with the AGM.
- g) Each member must demonstrate their financial literacy and understand the operations of the business, with at least two members having accounting or related financial experience, which does not necessarily require formal accounting qualifications.
- h) The Committee is authorised to appoint a Deputy Chair who will act as Chair in the absence of the Committee Chair.
- i) Internal or external expertise may be invited by the Committee Chair to attend a committee meeting as a guest.
- j) Committee Members will be asked to declare any actual, perceived, or potential conflicts of interest at each meeting. Conflicts of interest declarations will be minuted and included as part of the report to the AUSMASA Board.

5.1. Committee Secretariat

The AUSMASA Board's Finance, Audit and Risk Committee's secretariat will work with the Committee Chair and provide the following administrative support:

- a) Confirm the dates for the annual Committee meetings.
- b) Prepare and distribute the Committee meeting agenda and invites.
- c) Take minutes at each meeting and circulate as necessary.
- d) Prepare and support any required Committee papers.
- e) Follow up on any actions and record decisions.

6. Committee Meetings

The AUSMASA Board's Finance, Audit and Risk Committee meetings will be held virtually or face to face at the discretion of the Committee.

- a) A quorum for any meeting of the Finance, Audit and Risk Committee will be three (3) Audit and Risk Committee members.
- b) The Audit and Risk Committee may invite such other persons to its meetings as it deems necessary, including persons to provide expert advice as considered necessary by the Committee.
- c) Committee members may not appoint an alternate to attend on their behalf.
- d) Any AUSMASA Board Director may attend any meeting of the Committee.
- e) Meetings shall be held not less than four (4) times a year. Special meetings may be convened as required.
- f) The Committee Secretariat, in conjunction with the Committee Chair shall determine an agenda and business papers for each Committee meeting and shall circulate the agenda to all Committee Members at least five (5) working days prior to each meeting.
- g) Minutes of each Committee meeting shall be made available to all AUSMASA Board Directors prior to the next AUSMASA Board meeting. Finance, Audit and Risk Committee papers will be available upon request.
- h) Any recommendations made to the AUSMASA Board by the Committee will be added to the next AUSMASA Board meeting agenda.
- i) Matters will be decided by consensus or, if a consensus cannot be reached, a vote will occur, and the majority vote of the Committee members present will determine the outcome.
- j) The Finance, Audit and Risk Committee will establish an annual work plan which will inform each meeting agenda. The annual plan will cover matters aligning with the Duties and Responsibilities of the Finance, Audit and Risk Charter.

7. Committee Performance Review

The AUSMASA Board's Finance, Audit and Risk Committee is committed to continuous improvement and will:

- a) Periodically, the Finance, Audit and Risk Committee will undertake a self-evaluation of their performance against this Charter and report the evaluation findings to the AUSMASA Board. This evaluation should include obtaining feedback from other AUSMASA Board Directors, the external auditors and the AUSMASA management team.
- b) Periodically, the Finance, Audit and Risk Committee will undertake a review of the Charter and make a recommendation to the AUSMASA Board regarding any proposed amendments.

8. Document History and Contact Details

Version

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Revision History

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Contact details

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| Owner | AUSMASA Board |
| Contact officer | Company Secretary, board@AUSMASA.org.au |