



**CLUB RIVERS**

# Audit Committee Charter

**Club Rivers (Riverwood Legion & Community Club Ltd) CAN: 000 411 923 ABN: 80 000 411 923  
Premises No. 229866 (the "Club")**

**Dated 8 March 2009**

## **1 Purpose and authority**

### **1.1 Purpose**

The purpose of this Audit Committee Charter is to specify the authority delegated to the Audit Committee (“**Committee**”) by the board of directors of the Club (“**Board**”) and to set out the role, responsibilities, membership and operation of the Committee.

### **1.2 Authority**

The Committee is a committee of the Board established in accordance with the Club’s constitution and is authorised by the Board to assist it in fulfilling its statutory and regulatory responsibilities. It has the authority and power to exercise the responsibilities set out in this charter and under any separate resolutions of the Board granted to it from time to time.

## **2 Role of the Committee**

The role of the Committee is to assist the Board in carrying out its accounting, auditing and financial reporting responsibilities by making recommendations to the Board on:

- (a) the integrity of the Club’s external financial reporting and financial statements;
- (b) the appointment, remuneration, independence and competence of the Club’s external auditors;
- (c) the performance of the external audit functions and review of their audits; and
- (d) the Club’s systems and procedures for compliance with applicable legal and regulatory requirements (other than the operational compliance obligations monitored by the Risk Committee).

## **3 Responsibilities**

### **3.1 External reporting**

The Committee is responsible for (and where appropriate, making recommendations to the Board on matters relating to the following):

- (a) reviewing the appropriateness of the accounting principles adopted by 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 internal and external auditors;
- (d) 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 Club of financial and non-financial information;
- (e) assessing (before publication) whether external reporting is consistent with Committee members' information and knowledge and is adequate for members' needs;
- (f) reviewing material documents and reports prepared for lodgement with regulators, assessing their impact on the Club and making recommendations to the Board on their approval or amendment;
- (g) ensuring that a comprehensive process is established to capture issues for the purpose of continuous improvement of best practice Corporate Governance;
- (h) reviewing the completeness and accuracy of the Club's main corporate governance practices in alignment with ASX principals of Corporate Governance;
- (i) assessing information from internal and external auditors that affects the quality of financial reports;
- (j) 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 Club;
- (k) assessing solvency and the going concern assumption;
- (l) assessing the management of non-financial information in documents to ensure that conflicts with financial statements and other documents do not occur; and
- (m) recommending to the Board whether the financial and non-financial statements should be signed based on the Committee's assessment of them.

### **3.2 External audit**

The Committee is responsible for (and where appropriate, making recommendations to the Board on matters relating to the following):

- (a) making recommendations to the Board on the appointment and remuneration of the external auditor and, if appropriate, recommending that tenders be called to assist in deciding which external auditor should be recommended;
- (b) agreeing the terms of engagement of the external auditor before the start of each audit;

- (c) reviewing the external auditor's fee and being satisfied that an effective, comprehensive and complete audit can be conducted for the external auditor's set fee;
- (d) monitoring the effectiveness and independence of the external auditor, and periodically assessing their performance;
- (e) reviewing the external auditor's independence based on the external auditor's relationships and services with the Club and other organisations;
- (f) assessing whether the external auditor's provision of non-audit services impairs or appears to impair their judgment or independence and, if required, developing policies for Board approval to ensure this does not occur;
- (g) making recommendations to the Board on the removal of the external auditor;
- (h) ensuring that any recommendation to replace the external auditor is carefully evaluated before the Board makes a final decision;
- (i) inviting the external auditor to attend Committee meetings to review the audit plan, discuss audit results and consider the implications of external audit findings;
- (j) reviewing the scope of the external audit, including identified risk areas and any additional procedures, with the external auditor on a periodic basis;
- (k) raising with the external auditor any specific points of divergence with the Club's management;
- (l) monitoring and examining management's response to the external auditor's findings and recommendations;
- (m) reviewing all representation letters signed by management and ensuring all information provided is complete and appropriate;

### **3.3 Related party transactions**

The Committee is responsible for reviewing, monitoring and where appropriate, making recommendations to the Board on the propriety of related party transactions.

## **4 Membership**

### **4.1 Composition and size**

The Committee will consist of:

- (a) one Executive member of the Board and 3 non-executive members of the Board

(b) the majority of members are to be non-executive directors; and

(c) at least three members.

Membership is reviewed periodically and re-appointment to the Committee is not automatic. Appointments and resignations are decided by the Board.

#### **4.2 Chairperson**

The chairperson of the Committee is appointed by the Board. If, for a particular Committee meeting, the Committee chairperson is not present within 10 minutes of the nominated starting time of the meeting, the Committee may elect a chairperson for the meeting.

#### **4.3 Technical expertise**

The Committee must be structured so that:

(a) all members are financially literate, that is, are able to read and understand financial statements;

(b) at least one member has relevant qualifications and experience, that is, is an accountant or from a financial professional with experience of financial and accounting matters; and

(c) some members have an understanding of the industry in which the Club operates.

#### **4.4 Skills development**

If the Board approves, a Committee member may attend seminars or training related to the functions and responsibilities of the Committee at the Club's expense.

#### **4.5 Commitment of Committee members**

Committee members must devote the necessary time and attention for the Committee to carry out its responsibilities. At the first Committee meeting after their appointment and when the Board reviews Committee membership, each Committee member must confirm that they are able to devote sufficient time and attention to the Committee for the coming year.

#### **4.6 Secretary**

The Club Secretary (CEO) is the secretary of the Committee.

## **5 Committee meetings and processes**

### **5.1 Meetings**

Meetings and proceedings of the Committee are governed by the provisions in the Club's constitution regulating meetings and proceedings of the Board and committees of the Board in so far as they are applicable and not inconsistent with this charter.

## **5.2 Frequency and calling of meetings**

The Committee will meet as frequently as required to undertake its role effectively. The chairperson must call a meeting of the Committee if requested by any member of the Committee, the external auditor, the internal auditor or the chairperson of the Board.

## **5.3 Quorum**

Two directors constitute a quorum for meetings of the Committee.

## **5.4 Attendance by management and advisors**

The Chief Executive Officer and Financial Controller are expected to attend each scheduled meeting of the Committee and a standing invitation will be issued to the internal and external auditors.

The Committee chairperson may also invite directors who are not members of the Committee, other senior executives and external advisors to attend meetings of the Committee. The Committee may request management and/or others to provide such input and advice as is required.

## **5.5 Agenda and documents**

The chairperson of the Committee determines the meeting agenda after appropriate consultation. The secretary distributes the agenda and any related documents to all Committee members and other attendees before each proposed meeting.

## **5.6 Access to information and advisors**

The chairperson of the Committee receives all reports between the external auditor and management, and the internal auditor and management.

The Committee has the authority to:

- (a) require management or others to attend meetings and to provide any information or advice that the Committee requires;
- (b) access the Club's documents and records;
- (c) subject to prior approval of expenditure, obtain the advice of special or independent counsel, accountants or other experts, seeking approval of the Board or management; and
- (d) access management and internal and external auditors.

## **5.7 Minutes**

The secretary will keep minute books to record the proceedings and resolutions of its meetings. The chairperson of the Committee, or delegate, will report to the Board after each Committee meeting. Minutes of Committee meetings will be included in the papers for the next Board meeting after each Committee meeting.

## **6 Committee's performance evaluation**

The Committee will review its performance from time to time and whenever there are major changes to the management structure of the Club. The performance evaluation will have regard to the extent to which the Club has met its responsibilities in terms of this charter.

## **7 Review and publication of charter**

The Board will review this charter to ensure it remains relevant to the current needs of the Club. The charter may be amended by resolution of the Board. The charter is available on the Club's website and the key features are published in the annual report.

**Approved by the Board on 8 March 2009**