

Audit, Risk and Finance Committee Charter

Effective Date: June 2025

This policy applies to:

All employees and volunteers of Guide Dogs Victoria

1. General

The Audit, Risk and Finance Management Committee (the Committee) is a standing sub-committee of the Guide Dogs Victoria Board (the Board). The Committee has been established to assist the Board fulfil its oversight responsibilities relating to business plans and budgeting, financial reporting, risk management, audit oversight, investments, internal controls and compliance.

The Committee is responsible for reporting to the Board on all relevant matters relating to this Charter to enable the Board to take any necessary decisions and/or actions. The Committee may also be required to provide advice to the Board on specific matters that the Board has referred to it for consideration and advice.

2. Composition

The Committee will consist of up to six members, the majority of which will be members of the Board. The Board will appoint the Committee members and the Committee Chair. The Chair of the Board will not be the Committee Chair. Members of management, including the Chief Executive Officer (CEO) and the Chief Operating Officer (COO), will not be Committee members, but will be required to attend Committee meetings.

3. Definitions

Internal Control Audits are audits, if any, conducted by an independent external third party to evaluate GDV's internal controls, including its corporate governance

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and accounting processes. These types of audits ensure compliance with laws and regulations and help to maintain accurate and timely financial reporting and data collection.

Internal (first party) Quality Audits are internal audits, if any, conducted by GDV to assess the level of compliance of GDV's quality management system to internal and external quality assurance standards and to identify quality improvement opportunities.

External (third party) Quality Audits are audits conducted by an independent external accreditation agency to assess GDV compliance to external quality assurance standards, e.g. NDIS Practice Standards & Quality Indicators, Aged Care Quality Standards, Child Safe Standards Victoria, International Guide Dogs Federation Standards.

4. Meetings

- Committee members are expected to attend each meeting in person or through teleconference.
- The Committee will meet at least 4 times a year, and has authority to convene additional meetings, as circumstances require.
- Members are expected to be present for at least 75% of the meetings of the Committee
- There is a standing invitation for other Directors to attend the Committee meetings.
- A quorum of any meeting is 2 members.
- Any proposed resolutions for consideration by the Committee is determined by a majority of the members present and voting on the proposal.
- Where the votes on a proposed resolution are equal:
 - (1) the Chair does not have a second or casting vote; and
 - (2) the proposed resolution is taken as lost.

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- The Committee will invite members of management, auditors, and any other persons deemed appropriate to attend meetings and provide pertinent information.
- The Committee Chair may devote time in any agenda for the purpose of confidential open discussion with members of the Committee.
- The CEO and COO shall attend by standing invitation and the COO will fulfil the role of secretary.
- Meeting agendas will be prepared and provided 1 week in advance to members along with appropriate briefing materials.
- Minutes will be distributed to members within 1 week after the meeting.
- At a subsequent meeting, the minutes should be checked and endorsed by the Committee and signed by the Chair as an accurate record of the meeting.
- All Committee members have a responsibility to notify the Chair in advance if they face a conflict of interest in a matter to be discussed.

5. Reporting Requirements

The minutes of the Committee meetings are to be included in the agenda of the next available Board meeting, and the Committee Chair will brief the Board on all significant matters discussed at the Committee meetings.

6. Evaluating Performance

The Committee will:

- Evaluate its performance on an annual basis;
- Obtain feedback from the Board on the Committee's effectiveness; and
- Review the Audit, Risk and Finance Committee Charter at least every three years and discuss any required changes with the Board and ensure that the Charter is approved or re-approved by the Board.

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7. Authority

In discharging its responsibilities under this Charter, the Committee has authority to:

- Seek through the CEO and/or COO any information it requires from any staff member – all of whom are directed to co-operate with the Committee's reasonable requests.
- Obtain external legal, financial or other professional advice it considers appropriate or necessary in order for it to properly carry out its functions subject to obtaining the prior approval of the Board or the Chair of the Board.
- Ensure that no unreasonable restrictions are placed on the external auditors.

The Committee has authority to conduct or authorise investigations into any matters within its scope of responsibilities under this Charter. It is empowered to:

- Review and approve the external financial auditor's proposed scope of work and approach and the terms of engagement for the annual audit of the financial statements, including compensation
- Oversee the work of any auditor engaged by Guide Dogs Victoria. Further, it is empowered to oversee the work of any auditor engaged by external parties.
- Resolve any disagreements between management and the external auditors.
- Review the findings of the work undertaken by any auditor and ensure that management satisfactorily addresses any shortcomings identified.
- Pre-approve all auditing and non-audit services undertaken by any auditor engaged by Guide Dogs Victoria.

8. Responsibilities

8.1 Annual Business Plans and Budget

- Review and assess underlying budget assumptions upon which the annual budgets are prepared.

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- Review the annual business plan, operating and capital budget and financial and business performance metrics to provide a recommendation to the Board.

8.2 Financial Reporting

- Review the integrity of GDV's financial reporting processes and systems.
- Review financial and business reporting against approved budgets and agreed performance metrics.
- Oversee the preparation and review of the annual financial statements and disclosures and recommend them to the Board for adoption.
- Discuss with management and external auditors any significant accounting issues, judgments and estimates.

8.3 System of Internal Control

- Evaluate the effectiveness of GDV's internal controls over financial reporting.
- Review the adequacy and effectiveness of any internal audit processes.
- Ensure compliance with applicable laws, regulations and internal policies.

8.4 Compliance

- Review the company's compliance with legal and regulatory requirements.
- Establish procedures for the receipt, retention, and treatment of complaints regarding accounting, internal controls, or auditing matters.

8.5 Risk Management

- Review and assess GDV's risk management framework, policies and practices.
- Review GDV's Risk Appetite Statement on an annual basis and recommend to the Board any changes
- Monitor and evaluate significant risks and the effectiveness of risk mitigation strategies.
- Ensure that appropriate mechanisms are in place for identifying, assessing and managing risks.

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- Review and assess the adequacy of GDV's insurance coverage, including the annual premium rate and increase, and make recommendations to the Board for approval on an annual basis.

8.6 Audit Oversight

8.6.1 External Financial Audit

- Oversee the selection of the external financial auditor and recommend to the Board the appointment, re-appointment or replacement of the external auditor.
- Review and approve the external auditor's proposed audit scope and approach and the terms of engagement for the annual audit of the financial statements, including compensation.
- Monitor and review the performance and independence of the external auditors.
- Review the results of audits and any management letters or other correspondence from auditors.
- Meet privately with the auditor at least once per year.

8.6.2 Quality Audit

Internal (first party) Quality Audit

- Review and approve the internal quality audit plan, if any, and scope of work.
- Review any significant internal audit findings and ensure management adequately addresses the shortcomings identified.

External (third-party) Quality Audits

- Review the results of external third party quality audits and any reports or other correspondence from external auditors and ensure management adequately addresses the shortcomings identified.

8.7 Investments

Review the investment Policy annually, specifying investment goals, risk tolerance, limits on asset allocations and permissible investments.

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Investment Activities

- Oversee the engagement of Investment Advisor(s) who possess the necessary specialised research capabilities, skills, experience and are duly qualified in accordance with State Laws and Regulations in order to meet the investment objectives and guidelines as set out within the Investment Policy.
- Ensure management communicate clearly and timely the duties and responsibilities of Investment Advisor(s) by setting an appropriate set of goals and objectives.
- Ensure Investment Advisor(s) adhere to any relevant policies.

Monitor

- Monitor and evaluate investment results for each Investment Advisor(s) with respect to performance objectives and ensure appropriate action is taken by management to discharge an Investment Advisor(s) for failing to perform as expected, subject to the approval of the Board.
- Review regularly with Investment Advisor(s) the portfolio's tactical asset allocation ranges. Ensure management in consultation with Investment Advisor(s), change the tactical asset allocation ranges if required to comply with the Investment Policy and the objectives set out by the Board.

Communication and Reporting

Management, with input from the Investment Advisor(s), shall report on a regular basis to the Committee and ultimately to the Board in relation to the following:

- Review of the past, present and prospective economic climate in relation to investment strategies;
- Assessment of the investment strategy being used to fulfil the standard objectives;
- An outline of the risk levels of the securities and asset allocations represented in the investment portfolio; and

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- Qualitative evaluation of the performance of the portfolio including assessment of the Advisors based on reports from management will make recommendations to the Board concerning the investment performance and investment income to ensure the long-term financial health of Guide Dogs Victoria investment strategy and portfolio structure.

Conflict of Interest

All persons responsible for investment decisions or who are involved in the management of Guide Dogs Victoria Investment Portfolio, or who are consulting to, or providing any advice whatsoever to the Committee, shall disclose at the beginning of any discussion or consideration by the Committee, any relationship, material beneficial ownership, or other material interest(s) that the person has or may reasonably be expected to have with respect to any investment issue under consideration. The Committee will oversee to ensure that such persons remove themselves from the decision-making process.