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Audit, Risk and Finance Committee Charter

Effective Date: March 2026

1. Purpose

The Audit, Risk and Finance Committee (the Committee) is a standing Committee of the Guide Dogs Victoria Board (the Board).

The role of the Committee is to assist the Board in fulfilling its governance and oversight responsibilities by providing independent oversight, advice and monitoring in relation to financial management, risk management, audit, compliance, investments, and longer-term financial planning.

The Committee supports the Board by:

- Overseeing annual business plans and budgeting processes.
- Monitoring financial reporting and ensuring integrity, transparency and accountability.
- Overseeing risk management frameworks and internal control systems.
- Monitoring audit processes to ensure they are robust, independent and effective.
- Overseeing investment governance and financial sustainability.
- Supporting longer-term strategic financial planning and forecasting.
- Monitoring compliance with legal and regulatory obligations.

The Committee reports to the Board on matters within its scope to enable informed decision-making and may provide advice on matters referred to it by the Board.

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2. Definitions

External Audit: An audit conducted by an independent external third party to evaluate GDV's financial reporting, internal controls and governance processes to ensure compliance with applicable laws and standards.

Internal (First or Third Party) Audit: An internal review conducted by GDV or an approved appointee to assess compliance with internal and external assurance standards and identify improvement opportunities.

3. Authority

The Committee has authority to:

- Seek, through the CEO and/or COO, any information it requires from any staff.
- Obtain external legal, financial or other professional advice considered necessary, subject to prior approval of the Board Chair.
- Conduct or authorise investigations into any matters within its scope.
- Ensure no unreasonable restrictions are placed on external auditors.

The Committee is further empowered to:

- Review and approve the external auditor's proposed scope of work, audit approach and terms of engagement, including compensation.
- Oversee the work of any auditor engaged by GDV or external parties.
- Resolve disagreements between management and external auditors.
- Review audit findings and ensure management satisfactorily addresses identified shortcomings.
- Pre-approve all auditing and non-audit services undertaken by any auditor engaged by GDV.

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4. Membership

The Committee consists of up to six (6) members, the majority of whom will be Board Directors.

- Members and the Committee Chair appointed by the Board.
- The Board Chair will not serve as Committee Chair.
- Members of management, including the Chief Executive Officer (CEO), Chief Operating Officer (COO), and Finance Manager, however, are not Committee members but will attend by standing invitation.
- Other Directors who may attend by standing invitation.
- Other members of management, consultants, auditors, or staff attending meetings by invitation.

5. Responsibilities

The Committee will carry out the following responsibilities:

Annual Business Plans and Budget

- Review and assess the underlying assumptions used in preparation of annual budgets.
- Review the annual business plan, operating and capital budgets and performance metrics.
- Longer term strategic planning and forecasting.
- Provide recommendations to the Board for approval.

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 preparation of annual financial statements and disclosures and recommend them to the Board for adoption.

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- Discuss significant accounting issues, judgments and estimates with management and external auditors.

System of Internal Control

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

Compliance

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

Risk Management

- Review and assess GDV's risk management framework, policies and practices.
- Review the Risk Appetite Statement annually and recommend changes to the Board.
- Monitor significant risks and the effectiveness of mitigation strategies.
- Ensure appropriate mechanisms are in place for identifying, assessing and managing risks.
- Review the adequacy and premiums of GDV's insurance coverage annually and recommend approval to the Board.

Audit Oversight

External Audit

- Oversee selection of the external auditor and recommend appointment, re-appointment or replacement to the Board.
- Review and approve the external auditor's audit scope, approach and engagement terms.
- Monitor performance and independence of the external auditor.
- Review audit results, management letters and related correspondence.

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- Meet privately with the external auditor at least once per year.

Internal Audit

- Review and approve the internal audit plan and scope (if applicable).
- Review significant internal audit findings and ensure management addresses shortcomings.

Investment Management

Investment Policy

- Review the Investment Policy at least every three years, including investment goals, risk tolerance, asset allocation limits and permissible investments.
- Undertake an annual review of compliance with the Investment Policy with Investment Advisor(s).

Investment Activities

- Oversee engagement of suitably qualified Investment Advisor(s).
- Ensure management clearly defines duties, goals and objectives of Investment Advisor(s).
- Ensure adherence to relevant policies.

Investment Monitoring

- Monitor and evaluate investment performance against objectives.
- Recommend to the Board removal of Investment Advisor(s) where performance expectations are not met.
- Review tactical asset allocation ranges and ensure alignment with the Investment Policy.

Investment Communication and Reporting

Management, with input from Investment Advisor(s), will report regularly to the Committee and Board regarding:

- Economic climate and investment strategy considerations.
- Assessment of strategy alignment with objectives.
- Risk profile of securities and asset allocations.
- Qualitative and quantitative performance evaluation.

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- Recommendations to support long-term financial sustainability of GDV's investment portfolio.

6. Conflict of Interest

All persons must disclose any material interest, relationship or beneficial ownership relevant to matters under consideration.

The Committee will ensure that such persons remove themselves from the decision-making process where appropriate.

All Committee members must notify the Chair in advance of any conflict of interest in matters to be discussed.

7. Meetings

The Committee will meet at least four (4) times per year and may convene additional meetings as required.

- Members are expected to attend in person or via electronic means.
- Members are expected to attend at least 75% of meetings.
- A quorum is two (2) members.
- Decisions are determined by majority vote of members present and voting.
- The Chair does not have a casting vote; where votes are equal, the motion is lost.
- The Chair may allocate time for confidential discussion without management present.
- There is a standing invitation for Members of the Board to attend any meeting, but there are no voting rights.
- Agendas and papers will be circulated at least one week prior to meetings.
- Minutes will be circulated within one week following each meeting.
- Minutes will be endorsed at the subsequent meeting and signed by the Chair.

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8. Reporting

Committee minutes will be included in the agenda for the next available Board meeting.

The Committee Chair will brief the Board on significant matters discussed, including recommendations requiring Board decision.

9. Review

The Committee will:

- Seek feedback from the Board on the Committee's effectiveness.
- Provide a written annual report to the Board summarising the Committee's activities, findings, and progress against its responsibilities.
- Review this Charter at least every three years and recommend any changes to the Board for approval or re-approval.

10. Change History

<u>Version number</u>	<u>Date</u>	<u>Summary of change</u>
3.3	February 2025	Formatting changes for consistency of all Charters
3.2	August 2025	Changes to reflect transition of quality audits to the Clinical and Quality Governance Committee
3.1	June 2025	Increase the Committee membership from four people to six people, keeping the quorum at two people.
3.0	February 2024	
The Charter is due for review by February 2027.		