

## AUDIT COMMITTEE

### *A constitutional committee of Council*

The membership of the Audit Committee is set out as follows in the Constitution (63(c)):

The Council shall appoint an Audit Committee of not fewer than five (5) persons including a chairperson appointed by the Council and the members of the Council referred to in clause 41(f) (i) and (ii).

Clause 41 (f) (i) and (ii) refer to two persons with financial expertise as demonstrated by relevant qualifications and financial management experience at a senior level and one person with commercial expertise as demonstrated by relevant experience at a senior level.

Appointments to the Audit Committee shall be periodic, at the determination of Council.

Whilst recognizing that each member of the Council takes responsibility for the decisions of the Council, Council has determined that the Audit Committee will have the following functions:-

1. To review and report to the Council on the integrity of the Company's financial reporting.
2. To review the accounts and advise the Council on systems to ensure that the financial reports present a true and fair view in all material respects of the Company's financial position and operational results and that the accounts are prepared in accordance with all relevant Accounting Standards.
3. To report to the Council on:
  - a. Whether the external reporting is consistent with Committee Members' information and knowledge.
  - b. The efficacy of management processes supporting external reporting.
  - c. Procedures for the selection and appointment of the external auditor - including review of scope of work and performance.
  - d. The independence of the external auditor and whether the Committee is satisfied that the independence of this function has been maintained having regard to the provision of non-audit services.
  - e. The performance and objectivity of the external audit function.

- f. The results of its review of risk management and internal compliance and control systems.
4. To review and report to the Council on all issues of compliance with legislative requirements that may impact on the financial position of the Company.
  5. To meet with the external auditor at least annually after completion of the audit, but prior to signing of the annual accounts by Directors.
  6. To review, in consultation with the Chief Financial Officer, the assumptions on which the Annual Budget has been prepared prior to the presentation of the budget to Council.
  7. To review at each meeting the management accounts as presented by the CFO to the committee (actual YTD compared to budget).
  8. To advise and report to the Council with respect to significant financial decisions (for example, major capital expenditure) as appropriate.
  9. Review any legal matters with the Dean and/or Chief Financial Officer that may have a significant impact on the overall financial position of the SCD as requested.
  10. Review periodically the banking and other financial relationships of the SCD as requested.
  11. Review periodically the administration of the Scholarship Funds.

*These Terms of Reference have been drafted including reference to 'Principles of Good Corporate Governance and Best Practice Recommendations' published by the ASX Corporate Governance Council.*

The Audit Committee shall have a Risk Management Sub-Committee, to be constituted as determined by the Audit Committee, which shall meet as required to assist the Audit Committee in the execution of its duties at 3 f.