Purpose Statement

The purpose of the Audit Committee (Committee) is to assist the Board of CSC in discharging its responsibilities by providing an objective non-executive review of the financial reporting, taxation and regulatory compliance framework. Specifically the Committee will focus on assessment of:

- the integrity of financial reports, including professional accounting and taxation requirements;
- significant financial and accounting issues and accounting policies;
- regulatory requirements and compliance, including all APRA statutory reporting requirements;
- assurance over the internal control and compliance systems;
- Commonwealth performance reporting requirements; and
- audit effectiveness, independence, scope and planning of both internal and external audits.

The Committee is also charged with the responsibility of:

- providing an effective forum for communication between the Board, senior management and the internal and external auditors;
- monitoring the implementation of recommendations made in audit and other reports provided to the Committee;
- reviewing the appropriateness of CSC’s risk oversight and management.

Reporting

The Committee shall record proceedings of each meeting and circulate them to the Board. The Committee shall review the adequacy of these Board reports annually.

The Committee is to formally report annually to the Board on its performance.

Duties and responsibilities

In discharging its responsibilities to the Board, the Committee shall consider any matters relating to the financial affairs and compliance issues of CSC and any other matters it determines to be appropriate, in consultation with the Board. In addition, the Committee will examine any other matters referred to it by the Board. The duties of the Committee incorporate:

(a) External Auditors:

- to contribute to the development of the external audit plan;
- to discuss issues arising from the audit and any matters the auditor may wish to discuss;
- to consider the auditor’s audit reports, management letters and management’s response;
- to discuss and ensure compliance with all legislative, regulatory and other audit requirements;
- to oversee the relationship with the statutorily-appointed external auditor, the ANAO, including:
  - remuneration;
  - approval of terms of engagement and monitoring of compliance with those terms
  - assisting the external auditor to be fully informed of all prudential requirements applicable to CSC and its schemes;
  - the outsourcing of external audit functions; and
  - development and implementation of a policy relating to the supply of non-audit services by the external auditor;
- to meet with external audit, without management being present, to discuss any issues arising from external audit work; and
- to ensure that external auditor has free and unfettered access to all data, information, reports and staff that the external auditor believes is necessary, including access to the Committee.

(b) Financial Control and Reporting:
### CSC Audit Committee

**Terms of Reference**

- to examine year-end reporting statements before submission to the Board, focusing particularly on:
  - any changes to accounting policies and practices;
  - major judgemental areas;
  - significant adjustments resulting from the audit;
  - compliance with accounting standards and professional accounting requirements;
  - compliance with statutory and legal requirements; and
- to review with management and/or the internal auditors the policy for controlling CSC’s assets and information systems, and any plans for enhancement of operations.

(c) **Internal Audit:**

- to appoint and monitor the Internal Audit Provider;
- to approve the internal audit plan and ensure internal audit projects are adequately resourced;
- to ensure there is appropriate interaction between management and internal and external auditors;
- to meet with the internal auditor, without management being present, to discuss any issues arising from internal audit work; and
- to ensure that the internal auditor has free and unfettered right of access to the Committee.

(d) **Regulatory and Legal Compliance:**

- to monitor the compliance processes with any regulatory or statutory requirements by CSC and its outsourced providers of material business activities, including all APRA statutory reporting requirements

(e) **Taxation:**

- to oversee CSC’s taxation processes; and
- to oversee CSC’s tax risk profile in accordance with CSC’s tax risk management policy.

(f) **Other:**

- to monitor management’s responsiveness to the findings and recommendations of internal or external audit and compliance reviews;
- to request and review special audits or investigations as may be necessary;
- to consider other matters, as referred to the Committee by the Board;
- to undertake appropriate and timely training relating to the functions and responsibilities of the Committee;
- to at least once each year review its own performance, Terms of Reference, duties and responsibilities and recommend any changes it considers necessary to the Board for approval.

**Meetings**

The Committee will meet as necessary (but at least four times per year).

**Resources**

Management will:

- provide adequate resources to the Committee, including access to independent expertise as required; and
- ensure appropriate management personnel attend all meetings, at the discretion of the Committee.
An officer of CSC will be appointed to keep minutes of meetings. The approved minutes will be provided to the Committee and then to the Board promptly. Minutes (or, where appropriate, relevant extracts from them) will be provided to the internal and external auditors.

**Membership**

The Committee is appointed by the Board and comprises a minimum of three members.

Each member should be capable of making a valuable contribution to the Committee, based on his or her experience and qualifications.

The term of appointment of members shall be for a period of three years, which may be extended, at the discretion of the Board.

The Board will appoint the Chair of the Committee. Should the Chair not be present at a meeting, the members of the Committee will confer and appoint a member as acting Chair.

The Chair of the Board, the Chief Executive Officer or the Chief Financial Officer (General Manager, Finance) cannot be members of the Committee although each is invited to attend each meeting in an ex-officio capacity.

Members of the Committee must be available to meet with APRA on request.

**Quorum**

The quorum of the Committee is two or a majority of the members, whichever is the greater.

**Invitees**

- Committee may invite various parties to attend meetings and may have standing invitees.

**Authority**

The CSC Board authorises the Committee, within the scope of its responsibilities to:

- perform activities within its terms of reference;
- seek any information it requires from any employee in order to perform its duties via the Chief Executive Officer or senior management; and
- obtain outside legal or other professional advice to assist in undertaking its responsibilities, in consultation with the Board.

Reviewed by the CSC Audit Committee at its meeting of 10 December 2018.

Approved by the CSC Board at its meeting of 12 February 2019.