

1. Composition of the committee

The committee is chaired by a Director and consists of two or more Directors, Chief Executive Officer ('CEO') and Company Secretary ('CS'). An alternate Chair will be agreed to at the start of any meeting that the Chair is unable to attend. The alternate Chair must be a member of the IQA Board. The Finance Officer & CEO's Administration Officer and the IQA's Accountant will be invited to attend the Committee meetings as required. A quorum for a meeting of the committee is two members.

The Audit Committee may from time to time co-opt non-Board members to serve on a committee in order to bring additional skills, experience or networks.

The CS will attend and minute the committee meetings.

2. Responsibilities of the Audit Committee

The responsibilities of the Audit Committee shall be:-

Audit

- Ensure the external financial audit is completed and audit concerns are responded to and reported through to the Board;
- Review risk management, reporting and compliance procedures;
- Review the financial risk assessment register on an annual basis and report the findings to the Board;
- Receive internal audit reports, testing the integrity of financial and information systems;
- Confirm and determine fees for external audit and recommend where appropriate the re-appointment of the audit firm;
- Setting the organisation's annual budget and recommending same to the Board for adoption; and
- Establish reporting formats.
- The development, monitoring and annual review of suitable financial and non-financial KPI metrics to allow projects to be evaluated and recommended to the Remuneration & Nomination Committee or Board as per the MCER and CER authorised approval levels.
- Support the CEO with new sustainable revenue generating concepts via the following:
 - Review 'Business to Market' ideas, concepts and proposals.
 - Assist with the development of capital expenditure request proposals for the Board to consider.
 - Provide guidance, input and critically analyse proposals for new revenue generating programs.
 - Review the conceptual financial year revenue and expenditure estimates. (i.e. the year beyond the current budget year)

The responsibility for the day-to-day operation and administration of the Institute has been delegated to the CEO and his/her team. The Board have delegated a number of its powers to the CEO and CS. (Refer to the Board Policy Framework Policy P23 and Matters Reserved for the Board Policy P24)

3. Empowerment of the committee

The committee will refer any significant matters or issues to the Board for consideration, with recommendations on appropriate remedy. The Board has the discretion to override a recommendation of the committee.

The committee may approve contracts within their area of responsibility after appropriate vetting by the CS.

The Board or President of the Board may refer a matter that falls within the scope of this charter for the committee to consider and report back to the Board.

4. Meetings of the committee

The committee will convene at least three times per year to consider the draft annual budget of the Institute, the draft Annual Financial Statements, the Financial Risk Assessment Register and the first



The Institute of Quarrying Australia

Audit Committee Charter / Section 4.2

half of each financial year operating performance. The convening of the meeting may be a verbal arrangement. The committee will report to the board on such meetings.

5. Reporting to the Board

The committee will report as necessary to the Board on the outcome of any planned or ad hoc findings.

All committees shall review their terms of reference annually, including their membership and the results of their work and so report to the Board. The CEO may call ad hoc meetings to consider new sustainable revenue generating concepts or liaise directly with Audit Committee members for feedback on concepts, ideas and new programs.