



Australian Institute of **Project Management**

Audit & Risk Committee Charter

DOCUMENT CONTROL

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Version 1.0	November 2015	Draft
Version 2.0	December 2015	Chair – Mark Patch Review
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Version 4.0	December 2017	Board reviewed and approved

AUDIT AND RISK COMMITTEE CHARTER

(Approved by the Board on 6 August 2016.)

1. INTRODUCTION

The purpose of the charter is to document the objectives, responsibilities, and administration of the Audit and Risk Committee (“the Committee”) which are delegated to the Committee by the Australian Institute of Project Management (“AIPM”) Board (“the Board”).

2. OBJECTIVES

The objectives of the Committee are to assist the Board to discharge its corporate governance responsibilities to exercise due care, diligence and skill in relation to oversight of:

- (i) reporting financial information to users of financial reports;
- (ii) applying accounting standards and policies;
- (iii) maintaining the independence of the company’s auditors;
- (iv) financial management;
- (v) internal control systems;
- (vi) risk management;
- (vii) compliance with AIPM’s constitutional documentation and material contracts; and
- (viii) compliance with applicable laws and regulations.

3. DUTIES AND RESPONSIBILITIES

- (a) The Committee examines any matters related to the financial affairs and legislative and regulatory compliance of AIPM and the external audit that it considers necessary, and reviews and makes recommendations to the Board in relation AIPM’s risk appetite and risk management framework. The Committee also examines any other matters referred to it by the Board.
- (b) The main duties and responsibilities of the Committee are to:

3.1. Financial Information

- (a) Review the financial information presented by management to the Board and to the public.
- (b) Review the company’s annual financial statements draft before Board approval, focusing on:
 - (i) significant changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant audit adjustments;
 - (iv) proposed departures from accounting standards; and
 - (v) compliance with statutory requirements for financial reporting.
- (c) Consider the effects on AIPM of any new or proposed accounting practices, principles, developments, disclosure requirements, and legislative or regulatory

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pronouncements.

3.2. Risks, Policies and Controls

- (a) Review the adequacy and monitor accounting control systems by reviewing the external auditor's written reports and by monitoring management's responses and actions to correct any deficiencies.
- (b) Review AIPM's risk management framework at least annually to satisfy itself that it continues to be sound.
- (c) Review the adequacy and currency of the AIPM's risk management policies.
- (d) Monitor the adequacy and effectiveness of the AIPM's risk management processes including material exposure to and management of economic, environmental and social sustainability risks.
- (e) Monitor the application of AIPM's administrative, operating and accounting policies through active communication with management and the external auditors.
- (f) Monitor, from time to time, the need for an internal audit capacity and related work.

3.3. External Auditors

- (a) Recommend to the Board the appointment of external auditors and the payment of their annual fees.
- (b) Arrange for the external auditor's attendance at the AGM of AIPM and availability to answer questions from members relevant to the audit.
- (c) Review the audit plans of the external auditors.
- (d) Review the performance of the external auditors.
- (e) Ensure that no management restrictions are being placed on the external auditors.
- (f) Monitor the independence of the external auditors and their compliance with the requirements of the Corporations Act 2001 and professional standards as updated from time to time.

3.4. Compliance with legal and regulatory obligations

Review all regular reports provided to the committee by management on AIPM's:

- (a) Corporate governance;
- (b) Compliance program; and
- (c) Regulatory affairs.

3.5. Other

- (a) Review the placement of the company's insurance program to ensure it meets AIPM's needs and aligns with the company's risk profile.
- (b) Identify any special projects or investigations deemed necessary.
- (c) Oversight of the AIPM's compliance with applicable work, health and safety legislation.

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4. ADMINISTRATION

4.1. *Membership and attendance at meetings*

- (a) The Committee comprises at least (3) directors or the Board :
 - (i) the Chair of the Committee who is a Director of the Board, appointed by the Board, but must not be the Chair of the Board; and
 - (ii) at least two (2) other Directors of the Institute nominated by the Board.
- (b) A quorum of the Committee is any two (2) members of the Committee.
- (c) The Committee shall meet with the external auditors as it considers necessary, or at the request of the external auditors.
- (d) From time-to-time, the Committee may invite other people to attend Committee meetings as it considers necessary.
- (e) The secretary of the Committee is a person nominated by the Committee Chair.

4.2. *Meetings of the Committee*

- (a) Meetings of the Committee are held not less than twice a year; special meetings may be convened as required to fulfil the Committee's responsibilities. The Committee currently meets monthly. The Committee also meets at the request of the Board, any Committee member, any other non-Committee Board member, the Chief Executive Officer or the Secretary.
- (b) The external auditor may request a meeting of the Committee if they consider it necessary.
- (c) Meetings may be held in person, by telephone or by video conference, or by any combination of these media.
- (d) The Secretary, or other person nominated by the Committee Chair, takes minutes of the proceedings of all meetings of the Committee.

4.3. *Authority*

- (a) The Committee has no executive power over its findings and recommendations.
- (b) The Board authorises the Committee, within the scope of its responsibilities, to:
 - (i) obtain any information it requires from any employee or external party, including interviewing management and external auditors (with or without management present);
 - (ii) obtain outside legal or other independent professional advice; and
 - (iii) ensure the attendance of external parties with relevant experience and expertise.

4.4. *Board reporting*

The Chair of the Committee reports to the Board on behalf of the Committee. The report should cover the findings and recommendations of the Committee and should cover any significant matters raised by the external auditor. The minutes of all Committee meetings are circulated to all Committee members for comment and provide comments to

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the Committee Chair, where they deem it necessary. Committee meeting minutes are to be approved by the Committee Chair within 7 days of each meeting. The Committee members are also required to review the report to each Board meeting and provide comments to the Committee Chair, where they deem it necessary.

4.5. Review of charter and composition

- (a) The Committee is to annually review its composition and Charter at the meeting following AIPM's Annual General Meeting and recommend any changes to the Board. The Committee may review its Charter at other times deemed necessary by the Committee or the Board.
- (b) The Board annually reviews the composition of the Committee and ratifies the Committee charter.