



**Lifeline Australia**  
**Terms of Reference**  
**Audit & Risk Committee**

**Version 2.0**

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## 1 Purpose and Scope

The Lifeline Australia Audit & Risk Committee (**Committee**) oversees all matters concerning the integrity of Lifeline Australia's financial statements and financial reporting systems, oversight and performance of the internal audit function, recommendations regarding appointment of external auditor's qualifications, Lifeline Australia's compliance with financial reporting and related regulatory requirements, and risk management. Responsibilities are set out in more detail in clause 3 of these Terms of Reference (**TOR**).

## 2 Principles

In the conduct of its duties and responsibilities, the Committee must have regard to:

- (a) the objects of Lifeline Australia as set out in the Lifeline Australia Constitution (**Constitution**);
- (b) the principles, governance philosophy, and approach, set out in the Lifeline Australia Group Board Charter (**Board Charter**);
- (c) the mission and vision of Lifeline Australia; and
- (d) relevant laws, regulations, industry standards and codes of conduct, and contractual obligations to which Lifeline Australia is bound.

## 3 Committee Responsibilities

### 3.1 Financial Oversight

The Committee reviews, assesses and makes recommendations to the Board on:

- (a) any significant estimates and judgments in financial reports, and monitors the methods used to account for unusual transactions;
- (b) the processes used to monitor and comply with laws, regulations and other requirements relating to external reporting of financial and non-financial information, including oversight of external auditors;
- (c) the annual budget process and recommending the budget to the Board for approval;
- (d) impacts and applicability of changes in accounting standards or other legislative requirements relating to the preparation of financial statements.

### 3.2 Risk and Audit

The Committee reviews, assesses and makes recommendations to the Board on:

- (a) the major financial risk exposures;
- (b) risk appetite, risk policy and risk management framework;
- (c) strategic risk management plan;

- (d) the effectiveness of Management's control of risks
- (e) the effectiveness of Lifeline Australia's internal control systems and framework;
- (f) the development and ongoing review of key policies that support our frameworks for managing risk; and
- (g) internal audit programs.

### 3.3 Investment Portfolio

The Committee reviews, assesses and makes recommendations to the Board in relation to Lifeline's investment policies and the portfolio.

### 3.4 Matters for Approval/Consideration by the Committee

Any matters pertaining to any of the key items set out in clause 3.1 to 3.3 above, should be approved, or at a minimum, be provided for information to the Committee before they are presented to the Board for action.

### 3.5 Other Committee Activities

The Committee conducts regular discussions with:

- (a) the CEO and CFO and any other relevant executive (**Management**) as and when needed;
- (b) the external auditor concerning the annual audit and any significant findings, and the adequacy of management's responses;
- (c) the external auditor without Management being present at each meeting;
- (d) management and the external auditor concerning the annual financial statements;
- (e) management and the external auditor regarding any correspondence with regulators or government agencies, and reports that raise issues of a material nature;
- (f) annual review and authorisation of access controls to Lifeline Australia's accounting, banking, and reporting systems to facilitate adequate segregation of duties; and
- (g) secretariat regarding any legal matters that may have a material impact on the financial statements and/or Lifeline Australia's compliance with financial reporting and related regulatory policies.

## 4 Authority and Power

### 4.1 Committee Recommendations and Board Delegation

- (a) The Committee will generally make recommendations to the Board and will not make any decisions unless specifically delegated by the Board and recorded in the Minutes of the Board.
- (b) The Board is not bound by Committee recommendations.

### 4.2 Consultation with CEO of Lifeline Australia (CEO)

The Committee should consult the CEO when determining its advice and recommendations to the Board.

### 4.3 Interaction with Constitution and Board Charter

The Committee's scope is set by this TOR, the Constitution and the Board Charter. If the Board Charter or Constitution conflict with this TOR, then the Board Charter or Constitution will prevail to the extent of the conflict.

## 5 Composition of Committee

### 5.1 Number of Members

- (a) The Committee shall be made up of:
  - (i) a maximum of four directors of the Board (**Directors**); and
  - (ii) persons who are not Directors but are co-opted as additional members (**Co-opted Members**), but the number of Co-opted Members must be fewer than the Directors appointed to the Committee unless otherwise agreed by the Board.
- (b) The CEO of Lifeline Australia, its Chief Financial Officer, and the Executive Director of People & Corporate Services, are invited to attend meetings of the Committee.
- (c) The Company Secretary (or their delegate) of Lifeline Australia will attend all meetings of the Committee.

### 5.2 Suitability of Appointees

All appointments must be based on individual skills, insights, and expertise relevant to the Committee's work.

### 5.3 Requirements for Appointments

- (a) The Board shall approve all appointments of Directors to the Committee.

- (b) The Board Chair, in consultation with the Chair of the Governance and People Committee, may approve appointments of Co-opted Members to the Committee.

## 6 Chair

### 6.1 Appointment

- (a) The Board appoints the Committee Chair.
- (b) The Committee Chair must be a Director but not the Board Chair.

### 6.2 Duties of the Chair

The Committee Chair is responsible for:

- (a) determining the frequency and method of Committee meetings;
- (b) setting the meeting agendas and the annual work plan for the Committee, in consultation with Committee Members;
- (c) the effective conduct of Committee meetings; and
- (d) reporting to the Board on the Committee's activities.

## 7 Tenure

- (a) The Committee is a standing Board committee.
- (b) The Board reviews Committee composition annually.
- (c) Notwithstanding clause 7(a), the total cumulative term of any Committee Member's appointment(s) must not exceed 10 years. In this regard:
  - (i) the total cumulative term includes any periods served as a Co-opted Member of the Committee;
  - (ii) the Board may extend the maximum limit of 10 years by up to a further 2 years; and
  - (iii) in relation to Co-opted Members, the Guideline for Co-opted Members of Lifeline Australia Board Committees will prevail to the extent of any conflict with this TOR.

## 8 Conduct of Meetings

### 8.1 Frequency of Meetings

The Audit and Risk Committee is to meet 4 times a year and as otherwise determined by the Committee Chair or specified in the Board Charter.

## 8.2 Quorum

- (a) A quorum for Committee meetings shall be one half of the Committee Members (whether they are Directors or Co-opted Members) but must include at least 2 Directors.
- (b) If a quorum is not formed within 15 minutes of the scheduled commencement time, the Committee Chair may, at their discretion:
  - (i) adjourn the meeting to a later date and time; or
  - (ii) proceed with the meeting, but its outcomes and resolutions must be later ratified by a majority of Committee Members.

## 8.3 Conflicts of Interest

Committee Members are to declare any actual or perceived conflicts of interest they may have with any matter before the Committee. The Committee Chair, in consultation with other Committee Members, will determine how conflicts of interest issues are addressed.

## 8.4 Resolutions

In the event the Committee cannot reach consensus on a course of action and a vote is to be taken, each Committee Member will have one vote and the Committee may pass any resolution by a simple majority.

## 9 Requirements for Reporting to the Board

- (a) The Committee is to provide a verbal report for each Board meeting detailing Committee activities, and any advice or recommendations for the Board's endorsement or approval.
- (b) The minutes of Committee meetings may be provided to the Directors upon request.

## 10 Resources and Information

### 10.1 CEO to Assist the Committee

The CEO (or their delegate) is to arrange for information, reports, advice, and comment as required by the Committee in undertaking its role.

### 10.2 Assistance by the Company Secretary and Management

- (a) The Company Secretary, Executives, and Management must provide assistance as required by the Committee in undertaking its role.
- (b) The Company Secretary will support the Committee, the CEO, and Management in the preparation of papers; and maintain the minutes and other records of the Committee.

### 10.3 Confidentiality

- (a) All Committee papers are to be regarded as confidential documents. Disclosure of documents or their contents to external parties must not occur without approval of the Committee Chair.
- (b) Committee Members are expected to be mindful of privacy and confidentiality considerations in the exercise of their work.

## 11 Version History

Version	Date	Approved by	Owner	Change Description	Next review date
1.0	Oct 2022	LLA Board	Company Secretary	Initial document	Oct 2025
2.0	Mar 2025	LLA Board	General Counsel & Company Secretary	Major review to ensure alignment with Board Charter and other Committee ToRs	Mar 2028