



**Mission Australia Group**

**Board Audit and Risk Committee**

**Charter**

Applicable to:	All Mission Australia entities
Authorised by:	Mission Australia Board
Approved date:	December 2021
Review Date	BARC December 2023 MA Board February 2024
Policy owner:	Company Secretary & Chief Financial Officer

### INTRODUCTION

Mission Australia exists to meet human need and to spread the knowledge of the love of God. Mission Australia has as its dominant purpose to provide for the relief of poverty, sickness, suffering, distress, misfortune, disability or helplessness of people in Australia. In conducting its affairs and services to reduce homelessness and to strengthen communities across Australia it is guided by the values of Mission Australia: Compassion, Integrity, Respect, Perseverance and Celebration.

Mission Australia is a company limited by guarantee and registered as a charity with the Australian Charities and Non-for-profits Commission. Mission Australia and its controlled entities including Mission Australia Housing, Mission Australia Housing Victoria (**MAHV**), Mission Australia Housing Tasmania (**MAHT**), Mission Australia Housing Partnership Ltd (**MAHPL**) and as Trustee of the Sir David Martin Foundation (**'Mission Australia Group'**) are committed to proper and effective Corporate Governance.

The Mission Australia Board has overall responsibility for the financial performance of the Mission Australia Group and the achievement of its founding purpose. The Board Audit and Risk Committee (**BARC**) is a standing committee of and appointed by the Board of Mission Australia and is recognised by the Boards of its controlled entities. This BARC Charter supports Mission Australia's proper and effective Corporate Governance and is aligned with the Australian Charities and Non-for-profits Commission Standards, including its commitment to holding itself to the highest standards of clinical care in delivering culturally safe and accessible services and its commitment to children and young people's safety and wellbeing.

### PURPOSE

The BARC assists the Boards to carry out their responsibilities by undertaking the following functions:

- Maintaining oversight of the integrity of the Mission Australia Group's statutory financial reports and statements;
- Monitoring the performance of the external audit and internal assurance activities of the Mission Australia Group;
- Review and recommend to the Board the Risk Appetite Statement;
- Monitoring that management has an appropriate framework in place to identify and effectively manage risk and that management ensures that the Mission Australia Group operates in accordance with the enterprise risk and assurance framework and within risk appetite;
- Monitoring the Mission Australia Group's compliance with regulatory, contractual, legal and ethical standards;
- Monitoring the performance of the external investment manager and maintaining oversight of the financial performance of the investment portfolio against the Group Investment Policy; and
- Reviewing compliance with internal guidelines, policies and procedures and other prescribed internal standards.

Active and collaborative participation of the BARC, the Boards, external auditors and internal assurance, the risk function and management is fundamental to the BARC's success and the realisation of Mission Australia's founding purpose.

## **AUTHORITY**

The Mission Australia Board has authorised the BARC, within the scope of their duties and responsibilities set out in this Charter to:

- Make recommendations to the Boards;
- Approve any professional advisers that the BARC may require to assist in their duties;
- Approve the appointment or removal of the General Manager, Enterprise Risk and Assurance;
- Approve policies as determined by the Boards;
- Approve the adequacy of Mission Australia's insurance policies;
- Require the attendance of any employee at meetings as appropriate;
- Have unrestricted access to staff and information considered relevant to responsibilities under this Charter; and
- Investigate other matters brought to its attention or requested by the Board.

The BARC has no management role.

## **RESPONSIBILITIES**

### **1. Governance**

- 1.1 Review, approve and make recommendation to the Mission Australia Board any proposed changes to the BARC Charter.
- 1.2 Approve Clinical Quality and Safety Sub-Committee (CQSS) Charters.
- 1.3 Review and recommend any changes to key governance and ethical related documents as outlined in the *Enterprise Policy Register*.
- 1.4 Review significant ethical matters including Whistleblower and Integrity line issues.

### **2. Financial Reporting**

- 2.1 Review financial statements with management and with the external auditors as necessary prior to their approval by the Boards.
- 2.2 Review recommendations from the Chief Financial Officer and external auditors, and make recommendations to the Boards on significant accounting and financial policy issues, and review the appropriateness of the accounting judgments or choices exercised by management in preparing the financial statements.
- 2.3 Review processes for financial reporting to the Boards so that the information is presented fairly.
- 2.4 Review the policies, processes and procedures for external reporting for completeness and accuracy of information and for meeting the disclosure obligations of Mission Australia.

### **3. Risk Management and Internal Controls**

- 3.1 Review the effectiveness of the enterprise risk and assurance framework, including the internal control systems designed to manage the Mission Australia Group's material risks that arise as a result of pursuing its goals, objectives and strategy.
- 3.2 Review and recommend to the Mission Australia Board changes to the Mission Australia Group's enterprise risk and assurance framework.
- 3.3 Review and make recommendations to the Mission Australia Board in relation to the Mission Australia Group's risk appetite and risk tolerance.
- 3.4 Oversight and monitor the Mission Australia Group's enterprise risk profiles, and focus on any heightened exposures or vulnerabilities.
- 3.5 Approve the Mission Australia Group's policies relating to risk and control, including in relation to incident management and the prevention and detection of fraud.
- 3.6 Approve the adequacy of the Mission Australia Group's insurances including the Directors' and Officers'.
- 3.7 Review reports from management responsible for risk and assurance dealing with:
  - the operation of the Mission Australia Group's risk and assurance framework;
  - significant risk exposures, incidents and breaches; and
  - other matters requested by the BARC.
- 3.8 Confirm with the People, Culture and Remuneration Committee that remuneration practices are consistent with promoting sound risk management practices.

### **4. Assurance and Compliance**

#### **External Auditor**

- 4.1 Make recommendations to the Mission Australia Board on the appointment, rotation, retention and dismissal of the External Auditor.
- 4.2 Approve the proposed audit plans and approaches.
- 4.3 Review the independence and performance of the External Auditor, including the engagement of the External Auditor to provide other non-audit services.
- 4.4 Review External Auditor reports and management responses.
- 4.5 Monitor the progress made by management for the improvement in internal controls arising from recommendations made by the External Auditor.

#### **Internal Assurance**

- 4.6 Approve the Mission Australia Group's Internal Assurance Schedule.
- 4.7 Approve the Mission Australia Group's policies relating to the internal audit function.

- 4.8 Review the effective linkage between the Mission Australia Group's risk profile and the Internal Assurance Schedule.
- 4.9 Consider findings of internal assurance reports and the management responses.
- 4.10 Monitor the effective implementation of internal assurance recommendations.
- 4.11 Monitor findings of third party audits by funding bodies or third party verifiers related to Mission Australia's services including licencing and certification.
- 4.12 Review reports dealing with any major failures in the operation of key internal controls.

### **Compliance**

- 4.13 Oversight and monitor the effectiveness of the Mission Australia Group's framework for ensuring compliance with laws, regulations, industry codes, contracts and company policies including quality assurance programs.
- 4.14 Review internal and external compliance reports.
- 4.15 Review attestations from the company officers that relate to statutory and/or regulatory reporting requirements.

## **5. MA Group Capital and Investments**

- 5.1 Approve the Mission Australia Group's Investment Policy.
- 5.2 Review and recommend to the Mission Australia Board the Mission Australia Group's Capital Management Strategy and Policy.
- 5.3 Review reports from management and the external Investment Manager regarding the financial performance of investments against the Group Investment Policy.

## **REPORTING AND MANAGEMENT ACCESS**

In addition to providing the Boards with a regular update of the BARC's activity including copy of the agenda, BARC papers and minutes of their meetings, the BARC will ensure the BARC Chair reports to the Mission Australia Board on the BARC meetings regarding all relevant matters and appropriate recommendations.

The CEO, CFO, Company Secretary and General Manager, Risk and Assurance shall have a direct access to the Committee on an as needs basis.

## **MEMBERSHIP**

The Mission Australia Board Chair proposes members for BARC for approval by the Board.

The BARC will consist of at least three independent non-executive Mission Australia Directors and may include one or more subject matter specialist members who are independent of the Board. Each of

the members will be free of any relationship that may interfere with their exercise of independent judgement as a BARC Member.

The BARC Members shall be:

- Sufficiently literate in financial, risk, audit and compliance matters to read, understand and challenge information presented in BARC meetings;
- At least one Member shall have accounting or related financial expertise;

BARC member appointments are for an initial term of three years and the appointment is reviewed every three years or earlier if circumstances dictate. The Board will ensure that all BARC members' reappointment or otherwise does not occur in the same year.

The Company Secretary or their designate is the BARC Secretary.

The Mission Australia Board Chair proposes the BARC Chair for approval by the Mission Australia Board. The BARC Chair cannot be the Mission Australia Board Chair. Should the BARC Chair be absent from a meeting, the BARC Members present (either physically or through electronic means) must appoint a Chair for that particular meeting who cannot be the Chair of the Board.

Mission Australia is responsible for providing new members with an appropriate induction programs and educational opportunities related to the scope of the BARC. The skills and performance of all committee members will be reviewed annually by the Mission Australia Board.

## **MEETINGS**

### **Frequency**

The BARC must meet at least three times per year. Any action required or permitted to be taken at any meeting of the BARC may take place without a meeting provided a written consent is signed by all members of the BARC and provided that such written consent is filed with the minutes of the proceedings of the BARC. Email consent confirmations may be accepted as sufficient signature if unanimously agreed by BARC members.

The Mission Australia Board Chair, any BARC Member or the Company Secretary may call a meeting of the BARC. An External Auditor, the General Manager Enterprise Risk and Assurance, CFO or CEO may request the BARC Chair or a BARC Member to call a meeting. Under such circumstances the five working day notice period may be waived if agreed by all parties.

### **Attendance**

Any person may be invited by the BARC Chair to attend BARC meetings.

A standing invitation to attend is issued to:

- Mission Australia Directors
- Other Mission Australia Entity Directors
- Chief Executive Officer
- Chief Financial Officer
- General Counsel & Company Secretary
- General Manager Enterprise Risk and Assurance
- The External Auditor.

At the discretion of the Chair private sessions may be held with individual Executives or management.

### **Annual Plan**

The BARC will establish an annual work plan which will inform each meeting agenda. The annual plan will cover matters aligning to the Duties and Responsibilities of the BARC Charter.

### **Agenda**

Notice of each meeting with a detailed agenda together with supporting documentation must be circulated to BARC Members and other attendees at least five working days before each meeting. Members must be fully prepared for BARC meetings to be able to provide appropriate and constructive input on matters for discussion.

### **Quorum**

Three members attending constitute a quorum.

### **Voting**

Each member present may vote on any matter raised before the BARC for resolution. In the event of a tied vote, the Chair has a right to a second vote as a casting vote.

### **Minutes**

The Secretary or delegate must prepare the minutes of the BARC meeting. After the BARC Chair has given preliminary approval, the draft minutes are circulated to all BARC members and made available to Directors of the Mission Australia Board.

The minutes should accurately record the resolutions of the BARC, key reasons for those decisions (where appropriate) and actions with accountabilities and timings noted. The minutes of the meetings must be confirmed and signed by the BARC Chair at the next subsequent BARC meeting.

### **REVIEW**

Periodically, the BARC will undertake a self-evaluation of their performance against this Charter and report the evaluation findings to the Board.