

## **Audit Committee Charter**

### **Objectives**

The primary objectives of the Audit Committee are to:

- assist the Board in discharging their responsibilities relating to:
  - financial reporting practices
  - business ethics, policies and procedures
  - accounting and management policies.
- provide a forum for the flow of information between the Board, senior management and both internal and external audit
- ensure the integrity of the internal audit function.

### **Membership**

The committee shall be appointed by the Board from the independent non executive directors of the company and shall consist of not less than two members. The Chairman of the committee will be appointed by the Board.

Members of the committee will be appointed by the board.

The committee may invite the Managing Director, Chief Financial Officer and representatives of the internal and external auditors to meetings.

The Company Secretary shall be the secretary of the committee.

### **Meetings**

The committee shall hold at least three meetings per year and such additional meetings as the chairperson shall decide in order to fulfil its duties. Meetings are to be held:

- at the planning stage of the audit (October / November)
- before the issue of the half yearly profit statement (July/August)
- before the finalisation of the annual accounts and the final profit announcement (February),

A quorum should be two members.

### **Reporting**

The committee shall;

- record proceedings of each meeting and circulate the minutes to the Board
- prepare a report summarising work performed by the committee to fully discharge its duties.

IRESS annual report should include a statement describing the responsibilities and activities of the committee.

## **Access**

The committee shall have unlimited access to both the internal and external auditors and to senior management. The committee may also consult independent experts where it is considered necessary to carry out its duties.

## **Duties of the Committee**

The duties of the committee will be:

### **External audit**

- a) to discuss with the external audit before the audit commences the nature and scope of the audit;
- b) to discuss issues arising from the interim and final audits, and any matters the auditor may wish to discuss;
- c) to consider the external auditor's management letter and management response;

### **Financial control and reporting**

- d) to review the half year and annual financial statements before submission to the Board particularly regarding:
  - any changes to accounting policies
  - major judgemental areas
  - significant adjustments resulting from the audit
  - the going concern assumption
  - compliance with accounting standards
  - compliance with Government and legal and ASX requirements
  - reports prepared by management for release to stakeholders.

### **Other**

- e) to evaluate IRESS exposure to fraud;
- f) to request and review special audits or investigations as may be necessary.