

Purpose

This Audit and Risk Committee Charter sets out the roles, responsibilities, structure and processes of the Board of Director's Audit and Risk Committee of Opera Queensland (OQ).

Overall Role and Responsibilities

The Audit and Risk Committee is responsible for recommending financial and risk policies, goals, and budgets that support the mission, values, and strategic goals of Opera Queensland (the Company). The committee also reviews the Company's financial performance against its goals and proposes major transactions and programs to the Board.

In addition, the committee also reviews:

- The Company's financial statements and other financial information provided to government bodies, financial institutions, and the public.
- The Company's systems of internal control which management and the Board of Directors have established.
- The overall audit process of the Company.
- The compliance and reporting obligations to the funding agencies.
- The risk management processes and determination of the potential for risk for the Company.
- Financial information provided to the Board.

Responsibilities

The Audit and Risk Committee's responsibilities include:

- Recommending policies that maintain and improve the financial health and integrity of the Company.
- Reviewing and recommending a financial plan for the Company.
- Reviewing and recommending an annual operating budget and annual capital budget consistent with the financial plan and financial policies.
- Reviewing and approving capital expenditures and unbudgeted operating expenditures that exceed management's spending authority.
- Reviewing and managing investment policies and strategy surrounding funds and monitoring of investments.
- Reviewing the financial aspects of major proposed transactions, new programs and services, as well as proposals to discontinue programs and services, and making action recommendations to the Board.
- Monitoring the financial performance of the Company as a whole against approved budgets, long-term strategic plans, and industry benchmarks.
- Monitoring Key Performance Indicators (KPIs) of the Company against approved budgets, long-term strategic plans, and government Funding Agreements.
- Requiring and monitoring corrective actions to bring the Company into compliance with its budget and other financial targets.
- Reviewing and recommending to the board as appropriate, changes to the Company's risk appetite and tolerance levels.
- Monitoring the alignment of the Company's risk profile with risk appetite and tolerance levels approved by the board.

- Overseeing the risk management framework and internal control system implemented by management as approved by the board.
- Reviewing the Company's IT and CRM controls implemented by management.
- Reviewing the Company's Insurance coverage
- Reviewing the Workplace Health and Safety policies, systems and controls implemented by management as approved by the board.

Specific responsibilities (audit & financial statements):

- Recommending the selection of the external auditor, and periodically reviewing the auditor's performance and recommending either renewal or replacement.
- Meeting with external auditor and management at least annually to review the scope of the proposed financial audit for the current year, procedures to be used, particular areas of potential risk or scrutiny, and appropriate fees.
- Reviewing annual financial statements and other financial information submitted to any governmental body, financial institution, or the public, including any certification, report, opinion, or review rendered by the external auditor. Evaluating determinations made about the applicability of accounting principles, the reasonableness of significant judgements or estimates, and the clarity of financial disclosures.
- Discussing the results of the annual audit and closely reviewing any significant changes to the financial statements or changes in accounting principles and disclosure practices.
- Reviewing the external auditor's annual management letter regarding internal control weaknesses, recommendations for improvements, and management's corrective action plans. Monitoring management's implementation of corrective action plans.
- Reporting to the Board at least annually.
- Monitoring effectiveness of compliance with government reporting obligations

Meetings

The Audit and Risk Committee meets at least four times a year, or when necessary at the call of the committee chairperson. Meeting dates and times are set in advance in accordance with the calendar of Board and Committee dates.

No business may be transacted at a meeting of the Audit and Risk Committee unless a quorum is present at the time the business is dealt with. 50% of the total number of committee members rounded up to the next number constitute a quorum.

Members

Membership shall consist of at least three directors, and co-opted members with experience as necessary. A minimum of two committee members is required.

The Board chairperson should not chair the Audit and Risk Committee.

The CEO, Executive Director and Director of Business & Finance are to be invited to all meetings unless otherwise indicated.

The committee may invite members of management or others to attend meetings.

At least one member shall have relevant financial qualifications and experience as determined by the board.

Reports

The committee will receive and review the following reports:

- Quarterly and annual financial statements, including budgets and reforecasts
- Quarterly investment reports
- Box office reports
- Philanthropic and Corporate Support reports
- Report from the Director of Business & Finance
- Annual 12-month cash flow forecast
- Risk Management Register and Risk Movement Report

Review of Charter

The committee will review this charter annually to provide assurance that it remains consistent with the Board's objectives and responsibilities

Governance

Adopted by the Board of Opera Queensland at a meeting held on 27 October 2020.