

## **Terms of Reference – Audit Sub-Committee**

**Purpose:** The Audit Committee's primary function is to assist the Board in fulfilling its oversight responsibilities with respect to the audit of EAUC's books and records and the system of internal controls, including risk that EAUC has established.

**Membership:** No less than four members are appointed by the Board in consultation with the Chair of the Audit Committee. At least two will have recent and relevant financial experience. The Chair can invite members to the committee outside of the Board (no more than 2 at any time) as appropriate as well as inviting guests to attend all or part of any meeting as and when appropriate. Appointments to the committee are for a period of 2 years extendable for another 2-year period by agreement.

**Chaired by:** Treasurer

**Secretary:** Company Secretary who is responsible for the meeting notice, agenda and minutes.

**Meeting Schedule:** At least four times a year at appropriate times in the reporting and audit cycle and otherwise as required.

**AGM:** The Committee Chairperson leads on the annual reporting of the committee's activities, attends the AGM and is prepared to respond to any relevant shareholder questions.

### **Internal Audit**

The Audit Committee:

- keeps under review the effectiveness of the company's internal controls and risk management systems;
- reviews and approves the annual audit plan;
- reviews and monitors management's responsiveness to the findings and recommendations of audit.

### **External Audit**

The Audit Committee:

- considers and makes recommendations to the board, to be put to shareholders for approval at the AGM, in relation to the appointment, re-appointment and removal of the company's external auditor. The committee oversees the selection process for new auditors and if an auditor resigns the committee investigates the issues leading to this and decides whether any action is required;
- oversees the relationship with the external auditor;
- reviews and approves the annual audit plan;
- reviews the findings of the audit;

- reviews the management letter and management’s response to the auditor’s findings and recommendations;
- reviews the effectiveness of the audit.
- at least once a year reviews its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommends any changes it considers necessary to the board for approval.

### **Current Members**

**Chair:** David Duncan

**Committee Members:** Luke Rake  
Neil Glasser