

# Audit, Risk and Compliance Committee Charter

**Date:** September 2025

**Version Number:** 10

## Introduction

The Board of Directors (the **Board**) of Tasmanian Networks Pty Ltd (**TasNetworks**) has established an Audit, Risk and Compliance Committee (the **Committee**) under clause 30 of TasNetworks' Memorandum of Association and Articles of Association.

This Charter sets out the role, responsibilities, composition and operation of the Committee.

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## Role

The role of the Committee is to assist the Board to discharge its governance responsibilities in relation to:

**Risk Management and Internal Control:** Overseeing the effectiveness of the Risk Management Framework to ensure that risks are appropriately identified, assessed, and managed in line with the Board's risk appetite including monitoring the internal control environment, business continuity planning, and insurable risk management and reviewing reports from management, internal and external auditors, and providing assurance to the Board on the adequacy of risk controls, emerging risks, and changes to TasNetworks' risk profile.

**Fraud and Corruption:** Ensuring that effective fraud and corruption prevention measures are in place and integrated into the broader risk management processes, monitoring the effectiveness of the Fraud and Corruption Control Policy, reviewing reported incidents of fraud or suspected misconduct, overseeing management's responses and corrective actions, ensuring the adequacy of internal controls related to financial processes, systems security, and data integrity, and reporting material incidents to the Board.

**Compliance Culture, Transparency and Ethics:** Overseeing the organisation's compliance culture, frameworks, and systems to ensure adherence to legal, regulatory, and internal policy obligations, including reviewing significant compliance breaches, whistleblower reports, and systemic issues, and guiding improvements to the policy framework and code of conduct, and ensuring that reporting obligations to regulators and stakeholders are fulfilled.

**Internal Audit:** Overseeing the internal audit function to ensure its independence, effectiveness, and alignment with the organisation's risk profile including endorsing the Internal Audit Charter and plan, monitoring audit progress and outcomes, and reviewing management's responses to audit findings.

**External Audit:** Overseeing the external audit process, including audit planning, scope, independence, and performance, reviewing audit findings, management's responses, and unresolved matters, ensuring open and direct communication with the external auditor, including private meetings where required.

**Financial and Corporate Reporting:** Overseeing the integrity of financial and corporate reporting by reviewing financial statements, significant accounting policies, estimates, and judgements to ensure compliance with applicable standards and a true and fair view of financial performance, considering the results of internal and external audits, regulatory updates, and management representations, and making recommendations to the Board regarding the approval of financial reports and related disclosures.

**Sustainability and Climate Reporting:** Overseeing the integrity and completeness of sustainability, climate, and ESG disclosures in corporate reporting, ensuring they meet regulatory requirements and industry expectations including monitoring climate-related risks and opportunities, assessing systems and controls, ensuring integration with broader risk management and strategy, and overseeing any external assurance processes related to climate reporting.

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## **Responsibilities**

The Committee is responsible for:

### **Risk management and internal control**

1. Monitoring the effectiveness of the Risk Management Framework and its components, including risk management culture and maturity, processes for identifying risks and the appropriateness of procedures to maintain activities within the Board's risk appetite.
2. Overseeing Management's response to all risks that the business is exposed to that are outside appetite.
3. Reporting to the Board on the Bi-annual Risk Review and matters that materially impact TasNetworks' risk profile including changing and emerging risks due to changes in the economic and business environment. (Refer to the Risk Management Framework for Review purpose and criteria)
4. Considering the adequacy and effectiveness of the resourcing and internal controls by reviewing reports from Management, internal audit and external audit, and by monitoring Management responses and actions to correct any noted deficiencies
5. Reviewing disclosures in the annual corporate governance statement in relation to the recognition and management of business risks
6. Understanding the process Management has implemented for managing insurable risks and, if applicable, self-insurance, including assessing the adequacy of insurance cover.
7. Reviewing the effectiveness of business continuity planning and be satisfied that material risks are identified and appropriate business continuity plans are in place.

### **Fraud and corruption**

8. Monitoring and review the effectiveness of Management's Fraud and Corruption Control Policy and related Plan and ensuring fraud risks have been included in the assessment of the risk profile of TasNetworks.
9. Enquiring of Management, the Internal Auditor and the external auditor regarding their assessments of the risk of material misstatement in the financial report due to fraud, including the nature, extent and frequency of such assessments.
10. Enquiring of Management, the Internal Auditor and the external auditor whether they are aware of any actual, suspected or alleged fraud affecting TasNetworks and how they responded to such instances, including any changes made to the internal control environment.
11. Obtaining representations from Management that all known instances of actual, suspected or alleged fraud, have been disclosed to the Committee.
12. Reporting to the Board any material fraud and corruption incidents and ensure there are effective processes in place to report all other material incidents including safety incidents.
13. Monitoring TasNetworks' fulfilment of its fraud reporting obligations, as applicable.
14. Understanding and considering the effectiveness of the internal control systems implemented by Management for the approval of transactions, the recording and processing of financial data, and ensuring that financial statements comply with relevant standards and requirements, and are subject to appropriate Management review
15. Understanding and considering the effectiveness of the internal control systems implemented by Management for the security of computer systems and applications, and the contingency plans for

processing financial information in the event of a systems breakdown, or to protect against computer fraud or misuse

16. Understanding the scope of internal and external auditors' review of internal control and obtain reports on significant findings and recommendations, together with Management's responses.

### **Compliance culture, transparency and ethics**

17. Monitoring the effectiveness of the Compliance Framework and its components, including compliance culture and maturity, processes for identifying and monitoring compliance with laws, regulations, internal policies and industry standards, and the appropriateness of procedures to maintain activities within the Board's risk appetite.
18. Obtaining regular updates from Management about compliance matters that may have a material impact on TasNetworks' financial statements, strategy, operations or reputation, including material breaches of laws, regulations, standards and company policies.
19. Reviewing and liaising with Management and/or regulators, as appropriate about the findings of any examinations by regulatory agencies, and any auditor observations.
20. Reviewing, and where applicable, endorsing the policies, processes and framework for identifying, analysing and addressing non-compliances (including whistleblower).
21. Reviewing significant non-compliances, their resolution and Management's identification and treatment of systemic events.
22. Guiding the effectiveness of TasNetworks Policy Framework and how it promotes compliance, a compliance culture (including transparency by reviewing how policies and procedures are developed, approved, communicated and reviewed).
23. Reviewing the efficacy of the process for communicating the Code of Conduct to employees and contractors, and for monitoring compliance with the Code.
24. Discussing with Management whether all regulatory compliance matters for TasNetworks have been considered in the preparation of the financial statements, such as compliance with accounting standards and the requirement for the financial statements to reflect a 'true and fair' view, including review and monitoring of related party transactions.

### **Internal audit**

25. Reviewing with Management, and making recommendations to the Board on, the appointment, remuneration, effectiveness, independence and organisational structure of internal audit.
26. Reviewing and recommending to the Board approval of the strategic internal audit plan and work program, and any subsequent variations to the internal audit plan and work program.
27. Reviewing and endorsing the Internal Audit Charter.
28. Reviewing the internal audit structure, independence and access to senior Management, the Committee and the Board.
29. Reviewing the scope of the internal audit plan and assess whether it addresses the material business risks and that there is appropriate coordination with the external auditor.
30. Monitoring the progress of the internal audit plan and work program and Management's implementation of the findings and recommendations of the internal audit activity.
31. Reviewing reports of results of internal audit engagements, audit-related activities, team capability, audit performance and other important matters.

32. Enquiring of the Head of Business Governance to determine any scope or budget limitations that may impede the execution of internal audit responsibilities.
33. Ensuring the Internal Auditor has direct access to the Board Chair and to the Committee Chair, providing independence from the executive and accountability to the Committee.
34. Without Management being present, meet periodically with the Internal Auditor to discuss matters that the Committee or Internal Auditor believes should be discussed privately.

### **External audit**

35. In the context of the appointment or discharge of auditors, it is noted that clause 35 of TasNetworks' Constitution requires the accounts of TasNetworks to be reported upon and audited by the Auditor-General for Tasmania.
36. Reviewing the external auditor's proposed audit scope and approach for the current year, in light of TasNetworks' circumstances and changes in regulatory, material risks and financial reporting requirements.
37. Monitoring and reviewing the independence of the external auditor and any potential conflicts of interest.
38. Discussing with the external auditor matters relating to the conduct of the audit, including any difficulties encountered in the audit, including any restriction on the audit scope, access to information and any significant resolved or unresolved disagreements with Management and the adequacy of Management response
39. Discussing with the external auditor the appropriateness of the accounting policies applied by Management in TasNetworks' financial reports.
40. Meeting separately with the external auditor to discuss any matters that the Committee or auditor believe should be discussed privately (without Management present).
41. Being informed regarding the scope of any proposed performance or compliance audits initiated by the external auditor and consider any draft report.

### **Financial and corporate reporting**

42. Reviewing the half-year (if relevant) and annual financial statements presented by Management, together with reports and opinions from the external auditor.
43. Gaining an understanding of the current areas of greatest financial risk and how they are managed.
44. Reviewing significant accounting and reporting issues and assess the appropriateness of accounting policies and methods chosen by Management, particularly those relating to significant accounting estimates and judgements and the assessment of going concern.
45. Reviewing recent regulatory and professional pronouncements and understand their impact on the financial statements.
46. Meeting with Management and the external auditor to review the financial statements, key accounting policies, the results of the audit (including significant adjustments), unadjusted differences and any difficulties encountered or unresolved disagreements with Management.
47. Reviewing Management representations, including the CEO and Executive Finance and Regulation declarations regarding the financial report and financial records.
48. Based on its review of the financial statements, noted disclosures and other information, providing a recommendation to the Board whether the financial report should be approved.

49. Reviewing the results of the audit with the external auditor, including significant adjustments, uncorrected misstatements and any difficulties encountered or unresolved disagreements with Management.
50. Reviewing the appropriateness of disclosures in the financial statements and financial reporting to stakeholders, particularly with regards to estimates and judgements.
51. Reviewing other sections of the annual report and related regulatory filings before release and consider the accuracy and completeness of the information, and whether the information is understandable and consistent with members knowledge about TasNetworks and its operations and is unbiased.
52. Reviewing with Management and the external auditors all matters required to be communicated to the Committee under the Australian Auditing Standards.

### **Sustainability and Climate Reporting**

53. Overseeing the integrity and completeness of sustainability, climate, and ESG disclosures in corporate reporting, ensuring alignment with relevant regulatory and industry standards.
54. Monitoring the organisation's approach to identifying, assessing, and managing material climate-related risks and opportunities, including transition and physical risks relevant to the energy sector.
55. Reviewing the effectiveness of systems and controls supporting sustainability and climate data collection, analysis, and reporting.
56. Ensuring climate-related risks and opportunities are appropriately considered in financial reporting, strategy, risk management, and scenario analysis.
57. Overseeing any external assurance of climate and sustainability disclosures and report key findings to the Board.

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### **Composition and Renewal**

58. The Committee consist of a minimum of two non-executive members of the Board and such other non-Board members as the Board determines from time to time.
59. Members and the Committee Chair will be appointed by the Board for a term of two years or otherwise as recommended by the Board.
60. Remuneration of Committee members is determined by Shareholders.
61. The Chief Executive Officer, Executive Finance and Regulation, Head of Business Governance, Executive Governance, Executive People and Stakeholder, Head of Regulation and any Director who is not a committee member have a standing invitation to attend meetings
62. TasNetworks' internal and external auditors have a standing invitation to attend meetings for matters related to internal or external audit, as relevant.

### **Role of the Role of the Chair**

63. The Chair must not be the Chair of the Board.
64. The Committee Chair is responsible for leading the Committee and overseeing the processes for the Committee's performance of its role in accordance with this Charter.
65. The Committee Chair has specific responsibilities to:

- Foster an open and inclusive and, where appropriate, robust discussion and debate by the Committee;
- Set the agenda with the Company Secretary (or their delegate), with appropriate time and attention allocated to matters within the responsibilities of the Committee; and
- Liaise with the Chief Executive Officer, Executive Governance, Executive Finance and Regulation and any other relevant Executive or Leader to provide the Committee with the information necessary to enable effective decision-making.

### **Role of the Company Secretary**

66. The Company Secretary (or delegate) will act as secretary to the Committee.

67. The minutes will be ratified by members in attendance/discussion and signed by the Committee Chair.

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### **Reporting**

68. The Minutes of Committee meetings will be made available to all Board directors.

69. The Committee Chair will report on the business of Committee meetings to the Board and convey Committee recommendations.

70. Reporting to Shareholders annually on Committee composition, responsibilities and how they were discharged and any other required information.

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### **Meetings**

71. Proceedings and meetings of the Committee will be governed by the provisions of TasNetworks' Memorandum of Association and Articles of Association for regulating the meetings and proceedings of the Board in so far as they are applicable and not inconsistent with this Charter

72. The Committee will meet at least four times a year and additionally as the Committee considers necessary.

73. The notice and agenda of meetings will include relevant supporting papers, as appropriate, and will be provided one week prior to each meeting. Subject to approval of the Committee Chair, the Committee Secretary may also provide documents by email for meetings or agenda items provided at short notice.

74. Meetings of the Committee may be held face-to-face or through any technological means by which members can participate in a discussion.

75. A quorum will be two members (who are also non-executive members of the Board). In circumstances where a quorum is unavailable the Chair of the Board may attend the meeting to constitute a quorum.

76. Any matters requiring decision will be decided by majority of votes of members present.

77. In the Chair's absence from a meeting, the members present will elect one of their number as a chair of the meeting.

78. Circular resolutions: As provided under the Memorandum of Association and Articles of Association, resolutions of the Committee may be passed without a meeting. The Committee prefers that this option is a last resort and used only when an alternative form of meeting is not possible. While the outcome of a circulating resolution will be advised to all Directors as soon as it is finalised, it will also be recorded in the minutes at the next Committee meeting.

79. Any director who is not a Committee member is also invited to attend Committee meetings. Committee papers are available to non-Committee members via the Committee Secretary.
  80. The Committee may invite any such other persons to attend as it sees fit, and consult with other persons or seek any information it considers necessary, to fulfil its responsibilities.
  81. At the conclusion of each Committee meeting, a brief critique and meeting evaluation on the quantity, quality and presentation of information that was provided to members and proceedings of the meetings will be made by the Committee.
  82. Committee members will be invited to disclose conflicts of interest at the commencement of each meeting and where members or invitees are deemed to have a real or perceived conflict of interest, they will not be present for Committee discussions on the issues where a conflict exists. Ongoing conflicts of interest need not be disclosed at each meeting once acknowledged.
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## **Access to advice**

83. The Committee is authorised to obtain independent professional advice as necessary, including the attendance of consultants with relevant experience and expertise at Committee meetings.
  84. The Committee may meet with external advisers without management present.
  85. The Chief Executive Officer, Executive Governance, Executive Finance and Regulation, Head of Business Governance and Internal Auditor Partner have direct access to the Committee Chairperson to report matters of immediate concern within their respective area of responsibility, including if an internal matter of material significance is not adequately dealt with and despite the best efforts of the responsible leader to have it addressed. If the need for this direct access arises, the provisions of the Whistleblower Policy preventing disclosers from detrimental action or reprisals may be invoked.
  86. The Committee can authorise the Executive Governance or Company Secretary (or their delegate) to undertake tasks in order to assist the Committee to carry out its functions.
  87. The Committee will meet in committee with the Head of Business Governance, Audit Specialist, External Auditor and Internal Auditor, and Executive Governance at least annually.
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## **Committee performance and Charter Review**

88. The Committee will undertake an annual review of its performance and report the results of the review to the Board.
  89. The Committee Charter will be reviewed every two years and revised as required to maintain consistency with the Board's objectives and responsibilities.
  90. The Board approves or further reviews the charter.
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## **Contact for Enquiries**

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## Administration of this Policy

This Policy is administered by the Executive Governance and will be reviewed on a biennial basis (every 2 years) and updated where applicable.

Authorisation				
Action	Name			Date
Prepared by (Reviewer)	Jacqueline Nicholls-Jungmann, Lead Counsel Company and Compliance			13 June 2025
Reviewed by	Chantal Hopwood, Executive Governance and Company Secretary			13 June 2025
Endorsed by (Owner)	Audit, Risk and Compliance Committee			1 July 2025
Authorised by	Board			31 July 2025
Document control				
Function:	Governance			
Document level:	Level 1			
Review period:	2 years			
Date	Version	Description	Author	Approved by
5 June 2014	0.1	Version issued for authorisation		
25 June 2014	1.0	Revised version issued with Board requested amendments		
24 June 2015	1.1	Revised version issued for authorisation		Audit and Compliance Committee
25 June 2015	2.0	Revised version approved by Board		Board
24 June 2016	2.1	Revised version endorsed by Audit and Compliance Committee	S. Pidgeon	Audit and Compliance Committee
28 July 2016	3.0	Revised version approved by Board	S. Pidgeon	Board
16 December 2016	4.0	Revised version approved by Board	CS&GC	Board
7 June 2018	4.1	Revised version for Committee endorsement	S. Pidgeon	Audit and Compliance Committee
26 July 2018	5.0	Revised version approved by Board	S. Pidgeon	Board
23 September 2020	5.1	Revised version for Committee endorsement	S. Pidgeon / P. McTaggart	Audit and Compliance Committee
29 October 2020	6.0	Revised version for Board approval	S. Pidgeon / P. McTaggart	Board
16 February 2022	6.1	Revision to include Revenue Reset duties	P. McTaggart / Don Woodrow	Audit and Compliance Committee (OOS)
24 February 2022	7.0	Revised version for Board approval	S. Pidgeon / P. McTaggart	Board
30 March 2023	7.1	Revision and change of Committee name for Committee endorsement	S. Pidgeon / H. Craig / K. Hansson	Audit and Compliance Committee
27 July 2023	8.0	Revision with inclusions from Committee meeting (June 2023)	H. Craig / K. Hansson	Board
31 July 2025	9.0	Review and update for Board approval	Jacqueline Nicholls-Jungmann	Board
October circular resolution	10	Revised version for Committee endorsement	Jacqueline Nicholls-Jungmann	Audit, Risk and Compliance Committee

