THE INSTITUTE OF CHARTERED ACCOUNTANTS IN AUSTRALIA

AUDIT ADVISORY COMMITTEE CHARTER

Organisation

This Charter governs the operations of the Audit Advisory Committee. A Code of Conduct for Committee Members including conflicts of interest disclosure, an evaluation process and policies and practices to be followed by Committee Members is contained in the Committee Governance Manual. The Committee shall review and reassess the Charter at least annually and obtain the approval of the Board of Directors. The Committee shall be appointed by the Board of Directors.

Objectives:

The Audit Advisory Committee shall provide advice to the Board of Directors in identifying and addressing strategic issues concerning the audit profession.

Responsibilities:

- Assist Institute staff with the preparation of submissions and other advocacy activities
- Make recommendations to Institute staff on training and CPE offered to members who provide audit services
- Make recommendations to Institute staff on the audit and assurance component of the Chartered Accountants Program
- Provide guidance to the Board on how the Institute might respond to any areas in the public domain involving auditing deemed to need attention
- Assist and advise Institute staff in the assessment and review of developments in auditing and assurance both in Australia and overseas
- Assist and advise Institute staff in the review of Auditing and Assurance Standards and Audit Guidance Statements issued by the Auditing and Assurance Standards Board
- Assist and advise Institute staff on the processes by which members can become, and maintain, their registered company auditor status.

Chairman:

The Chairman should be elected by the members of the Committee or appointed by the Board.

Chairman's Tenure:

Annual subject to election by the Committee or the Board.

Committee Composition:

In addition to the Chairman the Committee shall consist of representative audit practitioners , and include at least one academic who specialises in auditing and assurance matters, and one chartered accountant in business.

The maximum number of the Committee is ten (10) members plus the Board Portfolio holder.

Committee Tenure:

Three years or such earlier period as the Board may determine from time to time, subject to a maximum of two three year terms.

Meetings:

The Committee will formally meet on a quarterly basis, two face to face and two by teleconference. All Committee members are expected to attend each meeting, in person or via teleconference. The Committee will invite members of management, or others to attend meetings and provide pertinent information, as necessary. Minutes will be prepared in a timely manner.

Approved by the Board June 2011

Quorum:

A quorum shall comprise half the appointed Committee members, plus one.

Review of Committee:

The Chairman of the Governance Committee and the Chairman of the Committee shall meet in person or via teleconference at least annually to discuss the performance of the Committee. The Chairman of the Committee shall also meet at least once annually with each member of the Committee separately to discuss performance. The Board may further review the operation of the Committee on an annual basis to ensure its compliance with the Audit Advisory Committee.

Reporting:
The Committee shall formally report at least annually to the Board.