

Charter Name

Charter Approver / Custodian

Next review / Review cycle

Last review date

Board Audit Committee

Board / Group Operational Risk & Compliance

August 2021 / Every 2 years or as required

August 2020

Table of Contents

1	Objectives _____	3
2	Membership _____	4
3	Invitees _____	4
4	Meetings _____	4
5	Minutes _____	5
6	Duties & Responsibilities _____	5
	6.1 Financial Reporting _____	6
	6.2 Regulatory Reporting _____	7
	6.3 Internal Audit _____	7
	6.4 External Auditors _____	8
	6.5 Taxation _____	9
	6.6 Other _____	9
7	Authority and Access _____	9
8	Reporting _____	10
9	Relationships _____	10
10	Committee’s performance evaluation _____	11
11	Review Charter _____	11
	Appendix A – Roles and Responsibilities _____	12
	Appendix B - Policy in relation to the External Auditors performing additional Services for Cuscal _____	15
	Appendix C - Policy in relation to the Internal Auditors performing additional Services for Cuscal _____	18

Notes

Reason for Doc	The Corporations Act and APS 510 state that the Board of directors (the Board) of a regulated institution is ultimately responsible for the sound and prudent management of the regulated institution. The Board has established standing Committees to assist the Board's decision making, supervision and control of the organisation with respect to audit, governance and risk matters.
Doc Summary:	This document sets out the authority, responsibilities, membership of Cuscal's Board Audit Committee.

1 Objectives

The objectives of the Board Audit Committee are to oversee external and internal audit activities for risk management and financial reporting. The Board Audit Committee is principally responsible for the:

- Review of the effectiveness of Cuscal's financial reporting and risk management framework and related systems
- Approval of the Internal and external audit engagements and oversight of the internal audit plan and external audit program
- Review of audit and other recommendations provided to the Board Audit Committee
- Maintenance of Board Audit Committee authority, composition, and role and responsibility construct in accordance with Prudential requirements
- Monitoring of internal and external audit independence
- Oversight of frameworks and policies for accounting, internal control, compliance, and audit activities
- Monitoring of conformance with Prudential Standards including production of an annual CPS 220 attestation.
- Maintenance of a confidential process for employees to report concerns
- Review of Internal fraud, financial and operational errors and internal control deficiencies
- Financial reporting and disclosure review
- Oversight and review of Tax matters

Any relevant matters relating to BEAR and the Committee members BEAR statements Other

- Maintenance of a Board Audit Committee Charter
- Endorsement of the Head of Internal Audit (currently KPMG - noting that the Chief Risk Officer has responsibility under BEAR for Internal Audit)
- Facilitating the appropriate access and communication among the Board Audit Committee, internal and external audit, regulators and management

Where relevant, the key regulatory standards are provided throughout the document and in Appendix A to this Charter. Appendix A also outlines the primary areas of responsibility for the Board Audit Committee.

2 Membership

The Board Audit Committee shall comprise at least three members, all of whom are non-executive Directors. A majority of the members must be independent.

Each member should be capable of making a valuable contribution to the Board Audit Committee, must be financially literate, and at least one member must have financial expertise. At least one member should have relevant ADI/financial services industry expertise.

The Board shall seek guidance from the Board Governance Committee on recommended appointments to the Board Audit Committee. The Board will appoint members annually.

The Chairman of the Board Audit Committee will be an independent Director as nominated by the Board from time to time. The Chair of the Audit Committee should be a member of the Risk Committee and the Chair of the Risk Committee should be a member of the Audit Committee.

Board Audit Committee members must be available to meet with APRA on request.

If considered appropriate, the Chairman of the Board may be an ex officio, non-voting member of the Committee but cannot be the Chairman of this Committee.

3 Invitees

The Board Audit Committee must invite the external auditor and the internal auditor to meetings. The following invitees are also expected to attend Board Audit Committee meetings:

- Managing Director;
- Chief Financial Officer; and
- Chief Risk Officer

Other senior managers may be invited as appropriate.

4 Meetings

The Board Audit Committee shall hold at least four meetings per year and may meet whenever necessary as the Chairman shall decide. A quorum shall consist of a majority of members. Upon approval by the Board Audit Committee's Chairman, members may attend meetings by electronic means.

In the Chair's absence, the members present at the meeting may elect a Chair for the meeting. Any matters requiring a decision will be decided by majority vote by the members present.

The notice and agenda of the meeting sent should include relevant supporting papers as appropriate.

The Board Audit Committee may meet with External Audit and Internal Audit, in the absence of management.

5 Minutes

One of Cuscal's employees will be appointed to keep minutes of meetings in the standard Cuscal format. The Chair shall approve draft minutes for inclusion in the Cuscal Board papers in a timely manner. The minutes, or relevant extracts from them, will be provided to the internal auditors and external auditors.

6 Duties & Responsibilities

The function of the Board Audit Committee is oversight. It is recognised that members of the Board Audit Committee are not full time employees of Cuscal and generally do not represent themselves to be experts in the fields of accounting or auditing. As such, it is not the responsibility of the Board Audit Committee personally to conduct accounting or auditing reviews.

In discharging its responsibilities to the Board, the Board Audit Committee shall consider any matters relating to the financial affairs, internal control and compliance issues of Cuscal that it determines to be appropriate.

Cuscal implements its Risk Management Framework in accordance with the Three Lines of Defence approach to risk management:

- First line of defence: Management and control system
- Second line of defence: Independent Risk Management
- Third line of defence: Internal and External Audit

The Board Audit Committee is aligned with the third line of defence of Cuscal's overall risk management framework as described in this Board Charter. In alignment with the third line of defence, the Board Audit Committee is responsible for the external and internal audit functions and regulatory inspections. This shall include the business activities undertaken to support the external and internal audits and regulatory inspections.

The Board Audit Committee shall work in synchronisation with the Board Risk Committee to allocate oversight responsibility for these key items in accordance with the following principles:

Matters to be referred to the Board Audit Committee	Matters to be referred to the Board Risk Committee
Financial Reporting – Oversight of periodic financial reporting of the results of operations.	Risk Appetite & Strategy – Oversight and approval of the risk appetite and risk management strategy of Cuscal in view of its Board approved strategy.
Regulatory Reporting – Oversight of periodic reporting to regulators and the appropriateness of Cuscal's response to regulatory inspection comments.	Risk Management Activities – Oversight of the risk management framework and implementation of the risk management strategy including risk management activities and reporting produced by management and the risk management function (strategic, operational, etc.).
Internal Audit – Oversight of the appointment, independence, and access of internal audit. The Committee will monitor performance against plan and review Internal Audit reports that relate to reviews over financial controls.	Internal Audit – Oversight of the work plan relative to risk management and internal controls reviews
External Audit – Oversight of the appointment, independence, activities and access of external audit.	Regulatory and Legal Compliance – Oversight of Cuscal's legal and regulatory compliance framework and relevant risk management policies
Taxation – Oversight of Cuscal's tax compliance and filing.	BCP, Disaster Recovery – Oversight of the development and maintenance of Cuscal's business continuity plan (BCP) and disaster recovery plan (DRP)

6.1 Financial Reporting

To oversee and monitor Cuscal's financial reporting activities. These responsibilities include:

- a. Monitor the operating effectiveness of the framework, strategies and management information systems related to internal controls over financial reporting, tax and regulatory compliance. For the purposes of clarity this includes the operating effectiveness of controls designed to address:
 - Financial Reporting Risks;
 - Tax Risks; and
 - Legal, Compliance & Regulatory (including anti-money laundering requirements)
- b. Examine Cuscal's half-year and year-end financial statements in order to recommend their approval by the Board, focusing on:
 - Any changes in accounting policies and practices
 - Major judgemental areas
 - Significant adjustments resulting from the audit
 - Compliance with accounting standards and Corporations Act requirements

- Compliance with statutory and legal requirements
- Reports prepared by management for release to stakeholders
- c. Review with management and/or the internal auditors of the control environment for Cuscal's assets and information systems, and the plans for enhancement of operations.
- d. Review and monitor the systems, processes and controls that are in place to maintain the integrity of the financial records and reporting.
- e. Review and approve dividend recommendations regarding Cuscal's solvency requirements and relevant aspects of the Corporations Act.

6.2 Regulatory Reporting

- a. Review of all significant transactions that do not form part of Cuscal's normal business with respect to financial reporting, tax and regulatory compliance.
- b. Monitor the operating effectiveness of relevant compliance processes with regulatory and/or statutory requirements including APRA reporting requirements. This will include financial reporting and disclosures made to regulators and responses to regulatory inspection comments.
- c. Review any current and pending litigation which may have financial risk exposure for Cuscal.
- d. Review and note the Occupation, Health & Safety (OH&S) audits and any potential financial impacts.

6.3 Internal Audit

- a. Endorse the selection and removal of the Internal Auditor. Approve the annual internal audit programme and assess whether the internal audit function is independent and adequately resourced. The services should be undertaken in compliance with the standards of the Institute of Internal Auditors.
- b. Promote co-ordination between management and internal and external auditors ensuring that there are no unjustified limitations or restrictions on the services performed.
- c. Oversee the internal audit evaluation of the adequacy and effectiveness of the financial and risk management framework.
- d. Consider any recommendation by management to appoint, change or remove any internal audit provider and agree the appropriate action.
- e. Oversee the annual Fit and Proper assessment for the External Auditor, as required under Cuscal's Fit and Proper Policy.

- f. Monitor the progress of the internal audit plan and work program and consider the implications of internal audit findings for the control environment;
- g. Agree at each quarterly meeting the detail in the internal audit plan of the reporting split of Internal Audit reports between BAC and BRC and which are jointly owned;
- h. Monitor and assess management's responsiveness to internal audit findings and recommendations;
- i. Provide the opportunity for the Board Audit Committee to meet with the internal auditor without management being present at least once a year;
- j. Consider, and where appropriate approve, changes to the timing and priorities as set in the internal audit plan. For clarity, it is noted that management alone (including the internal auditor) cannot amend these elements of the internal audit plan.

6.4 External Auditors

- a. Agree annually with the external auditor the nature, scope and timing of external audit activities and whether the auditor continually meets the audit independence tests set out in APES 110, Code of Ethics for Professional Accountants.
- b. Review the external audit programmes for coverage of risks and financial reporting.
- c. Consider the external auditor's reports to those charged with governance and management's response, including rectification of issues. The Board Audit Committee will review issues arising from the audit and any other matters the auditor may wish to raise.
- d. Assess the external audit evaluation of the adequacy and effectiveness of the financial and risk management framework and financial reporting requirements.
- e. Assess the audit quality in line with ASIC guidance (Information Sheet 196).
- f. Provide the external auditor with the opportunity to raise matters directly with the Board.
- g. Review annually the external auditor's engagement and make recommendations as necessary to the Board concerning compensation, appointment and removal of the external auditor.
- h. Pre-approve all audit and non-audit services provided by the external auditor, except for specified services which management has authority to approve. For reference attached as Appendix B, is the policy "External Auditors - Performing Additional Services for Cuscal".
- i. Oversee the annual Fit and Proper assessment for the External Auditor, as required under Cuscal's Fit and Proper Policy.

- j. Oversee the introduction and transition of a new audit signing or review partner of the external auditor.

Where Cuscal is required to appoint the role of Director or Senior Manager, regard will be given to the restrictions imposed by APS510, dealing with employees (or former employees) of Cuscal's external auditors.

An individual external audit signing or review partner or any other partner who plays a significant role in the external audit, for five successive years cannot play a key role in the audit until at least a further two years have passed.

6.5 Taxation

- a. Oversee the Group's taxation arrangements and processes including the setting of appropriate tax Policy and strategies. Make recommendations to the Board as required.
- b. Review taxation advice and services to the Group as required.
- c. Consider reports from other professional financial services providers, such as taxation services

6.6 Other

- a. Request and/or review special audits or investigations as may be necessary, including any valuations, investment proposals or due diligence
- b. Consider other matters, as referred to the Board Audit Committee by the Board.
- c. Oversee the confidential process to allow employees to submit their concerns about accounting, internal controls, compliance, audit and other matters. Employees may choose to make confidential and/or anonymous submissions. The Board Audit Committee will oversee the process making employees aware of these policies.
- d. Review and monitor the propriety of any related-party transactions;
- e. Consider any matters relating to BEAR obligations for the Committee, or in relation to the Committee members BEAR accountability statements

7 Authority and Access

The Cuscal Board authorises the Board Audit Committee to:

- a. Perform activities within its charter.
- b. Have free and unfettered access to Senior Management, the internal auditor, the heads of all risk management functions and the external auditor, and vice versa, as well as seek any information it requires from any employee (and all employees are directed to

co-operate with any request made by Committee Members) via the Managing Director or Senior Management.

- c. Seek any information it requires from internal and external Auditors.
- d. Obtain outside legal or other professional advice to assist in undertaking its responsibilities.
- e. Require Cuscal employees to attend Board Audit Committee meetings and direct invited employees to leave the Board Audit Committee meetings at any time.
- f. Carry out investigations on behalf of the Board.
- g. Organise meetings without Cuscal employee participation.

The Board Audit Committee shall have access to the Company Secretary.

8 Reporting

The Board Audit Committee shall record proceedings of each meeting and provide a report to the Board, in a form agreed by the Chairman of the Board.

Cuscal's annual report shall include a statement describing the responsibilities and activities of the Committee.

9 Relationships

The Committee will:

- a. Take advice and where relevant receives reports from the Executive Group, Management's Asset & Liability Committee ("ALCo") and the Enterprise Risk & Compliance Committee ("ERCo").
- b. The Chair of the Committee will liaise at least annually with the Chair of the Board Risk Committee to oversee key Risk Management issues, policies and processes;
- c. Make recommendations to the Board on financial integrity, the effectiveness of internal compliance and internal control systems and the risk management framework. The Committee will work with the Board Risk Committee on policy proposals as they relate to the Committee.
- d. Review compliance with the prudential regulation requirements from APRA in relation to the Committee's activities.
- e. Have a reporting line from the internal and external auditors, who will have unfettered access to the Committee.

10 Committee's performance evaluation

The Board Audit Committee will review its performance annually.

11 Review Charter

The Board Audit Committee will review its Charter at least every 2 years. Any amendments to this Charter will be approved by resolution of the Board.

Appendix A – Roles and Responsibilities

Roles and Responsibilities	Examples of Committee reports / documents	Related APRA responsibilities	Frequency	February	May	August	December
General Responsibilities							
Verify the power, composition and structure of the Board Audit Committee complies with the requirements of CPS 510 <i>Governance</i> , as well as access to the Board Audit Committee and attendance thereto.		CPS 510 <i>Governance</i>	As needed				
Monitor audit committee members' compliance with applicable independence rules and regulations		CPS 510 <i>Governance</i> CPS 520 <i>Fit and Proper</i>	As needed				
Report to the Board regarding the execution of the Audit Committee's duties and responsibilities	Audit Committee Minutes		Quarterly	✓	✓	✓	✓
Review Audit Committee Charter	Charter	CPS 220 <i>Risk Management</i> CPS 510 <i>Governance</i>	Every 2 years (or as needed)				
Review, with management, Cuscal's finance function (budget, organization and personnel)	Budget		Annually		✓		
Financial Reporting							
Full and half year financial statement review and endorsement	Financial statements	APS 310 <i>Audit and Related Matters</i>	Twice annually	✓		✓	
Review integrity of company's financial reporting processes (internal and external) and internal control structure (disclosure controls, procedures and internal control over financial reporting)	Financial reporting issues update	CPS 510 <i>Governance</i> APS 310 <i>Audit and Related Matters</i>	Quarterly	✓	✓	✓	✓
Review judgments on the quality and appropriateness of the Company's accounting principles as applied in its financial reporting including use of alternative disclosures and accounting principle treatment	Financial reporting issues update	APS 310 <i>Audit and Related Matters</i>	Quarterly	✓	✓	✓	✓

Roles and Responsibilities	Examples of Committee reports / documents	Related APRA responsibilities	Frequency	February	May	August	December
Review management's analyses of historical financial results, transactions and events, including matters related to <i>internal</i> fraud	Financial reporting issues update	APS 310 <i>Audit and Related Matters</i>	Quarterly	✓	✓	✓	✓
Regulatory Reporting							
Oversee financial reporting and disclosure with respect to legal and regulatory requirements	Prudential reporting forms		Quarterly	✓	✓	✓	✓
External Audit							
Appoint, compensate, retain and oversee the work performed by the External auditor (including difficulties encountered, restrictions on scope of activities and adequacy of management's response)		APS 310 <i>Audit and Related Matters</i>	As needed				
Review the qualifications, performance and independence of the External Auditor and Audit Partner Rotation	Fit & Proper Assessment	APS 310 <i>Audit and Related Matters</i> CPS 520 <i>Fit and Proper</i>	Annually	✓			
Review Audit Service Plan	Audit Service Plan		Annually	✓			
Pre approve audit and non-audit services provided by External Auditor	External audit pre-approval	APS 310 <i>Audit and Related Matters</i>	Quarterly update	✓	✓	✓	✓
Oversee the resolution of disagreements between management and the External Auditor if they arise	Audit summary report	APS 310 <i>Audit and Related Matters</i>	September (or as needed)			✓	
Review External Auditor's Report (includes independence disclosures)	Audit opinions	APS 310 <i>Audit and Related Matters</i>	Annually			✓	
Report on Internal Controls	Audit summary report	APS 310 <i>Audit and Related Matters</i>	Annually			✓	
Report on adequacy and independence of external audit		CPS 510 <i>Governance</i>	Annually				✓

Roles and Responsibilities	Examples of Committee reports / documents	Related APRA responsibilities	Frequency	February	May	August	December
Internal Audit							
Endorse the selection and removal of the Internal Auditor		CPS 510 <i>Governance</i>	As needed				
Review activities and organizational structure of the internal audit function	IA Plan	APS 310 <i>Audit and Related Matters</i>	Annually				✓
Review Internal Audit Plan	IA Plan	APS 310 <i>Audit and Related Matters</i>	Annually				✓
Internal Audit Status Report	IA Reports	APS 310 <i>Audit and Related Matters</i>	Quarterly	✓	✓	✓	✓
Report on adequacy and independence of internal audit	Material outsource provider assessment	CPS 231 <i>Outsourcing</i> CPS 510 <i>Governance</i> CPS 520 <i>Fit and Proper</i>	Annually				✓
Other							
Management of Taxation	Tax report (May tax risk/controls and December tax statements)		Twice yearly (or as needed)		✓		✓

Appendix B - Policy in relation to the External Auditors performing additional Services for Cuscal

Background

The external auditor has a critical role to ensure that independent credibility is provided to the published financial statements relied on by creditors, investors and stakeholders. The public's perception of the credibility of financial reporting is influenced significantly by the perceived effectiveness of external auditors examining and reporting on financial statements.

While any consideration of the effectiveness of external audits involves a wide variety of issues, it is fundamental to public confidence in the reliability of financial statements that external auditors operate, and are seen to operate, in an environment that supports objective decision-making on key issues having a material effect on financial statements. In other words, the auditor must be independent in both fact and appearance.

There exists the risk that the external auditor's independence may (in fact and appearance) be compromised when certain services are provided to CUSCAL. In evaluating any threats to independence, the nature of each service provided should be considered.

Aim of Policy

This policy aims to establish criteria for CUSCAL Management to assist in deciding whether CUSCAL's external auditors can perform a range of services for CUSCAL, without compromising the external audit's independence in both fact and appearance.

A. Range of Services – BAC Disclosure

Provided that the external auditors **will not** be subject to subsequent review of their own work, the following services are permitted:

1. Merger and acquisition transactional advisory assistance, including due diligence;
2. Tax planning and other non-compliance related tax consultation services;
3. Tax return and tax accrual reviews, consultations and assistance;
4. Assistance in analysing internal control and related systems;
5. Assessment of the design and implementation of internal controls and CUSCAL methodologies, but not the actual design and implementation itself;
6. Provision of training and technical material in relation to application of accounting principles, including Australian and International accounting standards; and

7. Forensic or other investigative services if directed by the Board, BAC or Senior Management of the company, but not for litigation support purposes.

Cuscal Management and the external auditors should ensure that the:

- External auditors' independence would be preserved prior to, during and after the service;
- Total accumulated cost of any non-audit service provided in one year, does not exceed 25% of the external auditor's total annual fee. If costs are expected to be exceeded, approval by the BAC as per Section B below is required prior to commencement of any work.

All services provided should be disclosed to the BAC by CUSCAL Management and/or external auditors at the next BAC meeting subsequent to completion of the service (in addition to any reports deemed relevant for review by the Committee).

The pre-approval of non-audit services prior to commencement of work where total accumulated cost exceeds 25% of the external auditor's total annual fee does not apply to taxation services listed in points 2 and 3 above.

B. Range of Services – Board Audit Committee Approval

With reference to the Professional Statement F1 issued jointly by the Institute of Chartered Accountants in Australia and CPA Australia, this statement identifies a range of services that 'may' create perceived or real threats to the independence of the external auditors. These include:

1. Preparing accounting records and financial reports;
2. Valuation services;
3. Provision of internal audit services;
4. Provision of IT system services;
5. Temporary staff assignments;
6. Provision of litigation support services;
7. Provision of legal services;
8. Recruiting Senior Management;
9. Corporate Finance (capital raising, underwriting, promoting) and similar activities; and
10. Acting in a Management role.

Where any of these services have been requested, CUSCAL Management and external auditors would disclose to the BAC:

- The requested service to be provided prior to commencement;

- Any significant threat to independence and where possible, application of safeguards that can be introduced to mitigate or eliminate the threat; and
- Where total accumulated cost of any service provided in one year is expected to exceed 25% of the external auditor's total annual fee.

Based on this disclosure, the BAC would review and approve/ decline the requested service to be performed by the external auditors.

For any other service requested by CUSCAL Management not addressed in this policy, disclosure to and approval by the BAC is required prior to commencement.

Appendix C - Policy in relation to the Internal Auditors performing additional Services for Cuscal

Internal Audit Mission Statement

To provide an innovative, responsive, effective and highly valued Internal Audit function by providing assistance to the Board Audit Committee ("BAC") and executive management ("Management") in their management of material business risks to Cuscal.

To raise awareness of enterprise risk management and provide advice to Management, in order to assist them in enhancing the performance of Cuscal.

Aim of Policy

This policy aims to establish guidance for Cuscal's Management to consider in deciding whether Cuscal's Internal Auditors can perform additional specific services, without compromising the Internal Audit's independence in both fact and appearance.

Independence

Independence is essential to the effectiveness of the Internal Audit function.

Internal Audit has no direct authority or responsibility for the activities it reviews. The Internal Audit function has no responsibility for developing or implementing procedures or system and does not prepare records or engage in original line processing functions or activities.

Before any additional services/engagements can be accepted/undertaken Internal Audit must confirm to Management that all appropriate conflicts of interest checks have been completed and there are no threats posed to the Internal Audit's independence.

Engaging KPMG for non-audit services.

The current BAC Charter contains guidance and protocols for engaging Deloitte and KPMG respectively on Non Audit services. The relevant extracts are from Appendix B and C of the BAC Charter and are attached.

By design (and in line with general industry practice) the requirements on retaining Deloitte (as External Auditor) are tighter than those applied to KPMG as Internal Auditor. Both firms update BAC on Independence and Non Audit services at each BAC meeting.

In relation to the action item from the December BAC meeting, the salient extract from the Charter that applies to Deloitte is as follows:

"Cuscal Management and the external auditors should ensure that the:

- *External auditors' independence would be preserved prior to, during and after the service;*
- *Total accumulated cost of any non-audit service provided in one year, does not exceed 25% of the external auditor's total annual fee. If costs are expected to be exceeded, approval by the BAC as per Section B below is required prior to commencement of any work.*

All services provided should be disclosed to the BAC by CUSCAL Management and/or external auditors at the next BAC meeting subsequent to completion of the service (in addition to any reports deemed relevant for review by the Committee).

The pre-approval of non-audit services prior to commencement of work where total accumulated cost exceeds 25% of the external auditor's total annual fee does not apply to taxation services listed in points 2 and 3 above (refer Charter for detail).

Where any of these services have been requested, CUSCAL Management and external auditors would disclose to the BAC:

- *The requested service to be provided prior to commencement;*
- *Any significant threat to independence and where possible, application of safeguards that can be introduced to mitigate or eliminate the threat; and*
- *Where total accumulated cost of any service provided in one year is expected to exceed 25% of the external auditor's total annual fee.*

Based on this disclosure, the BAC would review and approve/decline the requested service to be performed by the external auditors. For any other service requested by CUSCAL Management not addressed in this policy, disclosure to and approval by the BAC is required prior to commencement."

A. Range of Services

Internal Audit activities will encompass the following areas:

Audit activities including the following orientation:

- Compliance
 - compliance with legislative requirements, Australian Government and Cuscal's policies and procedures including assurance in respect of the Certificate of Compliance
 - the adequacy and effectiveness of internal financial operational controls including IT system control
 - the recording, control and use of entity assets, and
- Performance improvement
 - the efficiency, effectiveness, and ethical conduct of the entity's business systems and processes.

Advisory services

Internal Audit can advise Management on a range of matters including:

- New programmes, systems and processes
 - providing advice on the development of new programmes and processes and/or significant changes to existing programmes and processes including the design of appropriate controls
- Risk management

- assisting Management to identify risks and develop risk mitigation and monitoring strategies as part of the risk management framework
- co-ordinating the annual Cuscal' Risk Management Plan
- monitoring and reporting on the implementation of risk management strategies
- Fraud control
 - assisting Management to identify the risks of fraud and develop fraud prevention and monitoring strategies
 - co-ordinating the Cuscal's Fraud Control Plan.

Audit support activities

Internal Audit is also responsible for:

- assisting the Board Audit Committee to discharge its responsibilities
- providing secretarial support to the Board Audit Committee
- monitoring the implementation of agreed recommendations arising from Internal Audit reports
- disseminating across the entity better practice and lesson learnt arising from its Audit activities, and
- managing the Audit function.

The Internal Audit Plan is discussed and agreed with Management and signed off by the BAC. Additional services are often required during the year to respond to business priorities. Those are agreed with Management based on an assessment of the Internal Audit's experience and capabilities. If the additional work impacts on the agreed Internal Audit Plan, the changes are discussed and pre-agreed with BAC.