


**Coast to
Capital**



**Audit Charter
2020**

June 2020

Purpose and Mission –

The purpose of the Coast to Capital Audit function is to provide independent, objective assurance and consulting services designed to add value and improve Coast to Capital's operations. The mission of internal and external audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. The audit activity helps Coast to Capital accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

Authority –

To establish, maintain, and assure that Coast to Capital's audit function has sufficient authority to fulfill its duties on an annual basis, Audit Committee will:

- Approve the audit function's charter.
- Approve the risk-based Audit Plan.
- Approve the audit function's budget and resource plan.
- Receive communication on the audit activity's performance relative to its plan and other matters.
- Make appropriate inquiries of management and any Auditor to determine whether there is inappropriate scope or resource limitations.

The Head of Corporate Affairs will:

- Ensure that the Accountable Body has approved the Audit Plan.
- Manage the allocation of audit work as necessary between Internal and External provision.
- Allocate resources, set frequencies, select subjects and determine scopes of work for each audit engagement for consideration by the Audit Committee.
- Communicate results of audit engagement with senior management, create a management response and implement any actions as necessary.
- Share audit reports with the Audit Committee including the management response and actions taken or due.

Any Internal or External Auditor will have unrestricted access to and communicate directly with the Audit Committee, including in private meetings without management present should this be necessary in cases where the auditor feels independence may be impacted otherwise.

The Audit Committee authorises the Auditor to:

- Have full, free and unrestricted access to all functions, records, property and personnel pertinent to carrying out and engagement, subject to accountability for confidentiality and safeguarding of records and information.
- Apply techniques required to accomplish audit objectives and issue reports including the writing of audit scopes.
- Obtain assistance from the necessary personnel of Coast to Capital, as well as other specialised services from within or outside Coast to Capital, in order to complete the engagement.
- Complete and submit reports to the Head of Corporate Affairs.

Independence and Objectivity –

The Auditor will ensure that the audit function remains free from all conditions that threaten the ability to carry out activity in an unbiased manner, including matters of audit selection, scope, procedures, frequency, timing, and report content. If the Auditor determines that independence or objectivity may be impaired in fact or appearance, the details of impairment will be disclosed to appropriate parties.

The Auditor will maintain an unbiased mental attitude that allows them to perform engagements objectively and in such a manner that they believe in their work product, that no quality compromises are made, and that they do not subordinate their judgment on audit matters to others.

The Auditor will have no direct operational responsibility or authority over any of the activities audited. Accordingly the Auditor will not implement internal controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgment including:

- Assessing specific operations for which they had responsibility within the previous year.
- Directing the activities of any Coast to Capital employee other than in the case of said employee assisting in an audit activity.

Where the Auditor has or is expected to have roles and/or responsibilities that fall outside of the Audit function, safeguards will be established to limit impairments to independence or objectivity.

The Auditor will:

- Disclose any impairment of independence or objectivity, in fact or appearance to appropriate parties.
- Exhibit professional objectivity in gathering, evaluating and communicating information about the activity of process being examined.
- Make balanced assessments of all available and relevant facts and circumstances.

- Take necessary precautions to avoid being unduly influenced by their own interests or by others in forming judgments.

The Auditor will confirm as requested, to the Audit Committee, the organisational independence of the audit function. The Auditor will disclose to the Audit Committee any interference and related implications in performing work and/or communicating results.

Scope of Audit Activities –

The scope of audit activities encompasses, but is not limited to, objective examinations of evidence for the purpose of providing independent assessments to the Audit Committee, management and outside parties on the adequacy and effectiveness of governance, risk management and control processes for Coast to Capital, Internal and external audit assessments include evaluating whether:

- Risks relating to the achievement of Coast to Capital's strategic objectives are appropriately identified and managed.
- The actions of Coast to Capital's officers, directors, employees and contractors are in compliance with Coast to Capital's policies, procedures, and applicable laws, regulations, and governance standards.
- The results of operations or programs are consistent with established goals and objectives.
- Operations or programs are being carried out effectively and efficiently.
- Established processes and systems enable compliance with the policies, procedures, laws and regulations that could significantly impact Coast to Capital.
- Information and the means used to identify, measure, analyse, classify, and report such information are reliable and have integrity.
- Resources and assets are acquired economically, used efficiently and protected adequately.

The Head of Corporate Affairs will discuss regularly with the Audit Committee Chair and report periodically to the Audit Committee regarding:

- The audit function's purpose, authority and responsibility.
- The audit function's plan and performance relative to its plan.
- The audit function's ability and success to maintain independence and objectivity and any significant conformance issues.
- Significant risk exposures and control issues, including fraud risks, governance issues, and other matters requiring the attention of, or requested by, the Audit Committee.
- Results of engagements or other activities.
- Resource requirements.
- Any response to risk by management that may be unacceptable to Coast to Capital.

The Head of Corporate Affairs also coordinates activities, including the engagement of external assurance and consulting service providers as needed. The audit activity may perform advisory and related client service activities, the nature and scope of which will be agreed with the client, provided the activity does not assume management responsibility. Opportunities for improving the efficiency of governance, risk management, and control processes may be identified during engagements. These opportunities will be communicated to the appropriate level of management.

Responsibility –

The Head of Corporate Affairs has the responsibility to:

- Submit, at least annually, to senior management and the Audit Committee a risk-based Audit Plan for review and approval, which is also approved by the Accountable Body.
- Communicate to senior management and the Audit Committee the impact of resource limitations on the Audit Plan.
- Review and adjust the Audit Plan, as necessary, in response to changes in Coast to Capital's business, risks, operations, programmes, systems, and controls.
- Communicate to senior management and the Audit Committee and significant interim changes to the Audit Plan.
- Ensure each engagement of the audit plan is executed, including the establishment of objectives and scope, the assignment of appropriate and adequately supervised resources, the documentation of work programs and testing results, and the communication of engagement results with applicable conclusions and recommendations to appropriate parties.
- Follow up on engagement findings and corrective actions, and report periodically to senior management and the Audit Committee and corrective actions not effectively implemented.
- Ensure the principles of independence, objectivity, confidentiality, and competency are applied and upheld.
- Ensure the audit function collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of the audit charter.
- Ensure trends and emerging issues that could impact Coast to Capital are considered and communicated to senior management and the Audit Committee as appropriate.
- Ensure emerging trends and successful practices in auditing are considered.
- Establish and ensure adherence to policies and procedures designed to guide the audit activity.
- Ensure adherence to Coast to Capital's relevant policies and procedures, unless such policies and procedures conflict with the audit charter. Any such conflicts will be resolved or otherwise communicated to senior management and the Audit Committee.

Approved by Audit Committee on the 24th June 2020.

