

INTERNAL AUDIT CHARTER

ARV Corporate Policy

1. Statement

The primary purpose of Internal Audit is to provide an independent, objective assurance and consulting activity designed to add value and improve the operations of the organisation.

It is designed to assist the organisation to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of its risk management, control and governance processes.

The Internal Audit function may be externally provided by an outsourced service provider.

The Internal Audit contract is administered by the Chief Financial Officer.

2. Scope

The Internal Audit Charter is required by Standing Direction 3.2.2 *Internal Audit* under the Financial Management Act 1994 and governs the roles and responsibilities of the Internal Audit function and those that interact with and support that function.

3. Requirements

Authority and accountability

The Internal Audit function has responsibility for:

- preparing and maintaining an internal audit charter for approval by the FRAC and made available to ARV management and staff
- annually preparing, maintaining and implementing a Strategic Internal Audit Plan (SIAP) based on the governance, risks and controls of ARV, with a rolling period of three or four years
- annually preparing, maintaining and implementing an audit work program based on the governance, risks and controls of ARV, that sets out the key areas of internal audit work for the year
- including in the SIAP audits of business processes or units likely to be vulnerable to fraud, corruption and other losses and a detailed review of ARV's compliance with the Directions
- annually providing to the FRAC an independent and objective assessment of the effectiveness and efficiency of ARV's financial and internal control systems, reporting processes and activities in accordance with the program through the Financial Management Compliance Report
- assisting the Board to identify deficiencies in financial risk management
- developing and implementing systems for ensuring the Internal Audit function operates effectively, efficiently and is appropriate for ARV's needs
- applying relevant professional standards relating to Internal Audit
- reporting to the FRAC on the effectiveness of the Internal Audit function.

Reporting

Internal Audit will:

- report the results of audits to relevant ARV management at the conclusion of each audit project and obtain management's response
- provide the report to the CEO with management comments prior to finalising the report
- provide reports to the FRAC at the conclusion of the audit which include management's response and corrective action taken or to be taken in regard to recommendations:
- if management's response to any finding is inadequate, internal audit will consult with management and attempt to reach a mutually agreeable solution
- if an agreement is not reached, the Internal Audit function shall pursue the matter through channels to appropriate levels of management and, if required, the FRAC for resolution.
- provide information on the status of the annual Internal Audit plan at each FRAC meeting.

4. Responsibilities

Position	Responsibility
Internal audit team	<ul style="list-style-type: none">• has independent status within ARV, reporting to the FRAC• governs itself by adherence to the Institute of Internal Auditor's mandatory guidance including the Definition of Internal Auditing, the Code of Ethics and the International Standards for the Professional Practice of Internal Auditing Standards.• has suitably experienced and qualified internal auditors• shall have no executive or managerial powers, authorities, functions or duties except those relating to the management of the Internal Audit function• shall not be responsible for the detailed development or implementation of new systems but may be consulted before development to enable assessment of the adequacy of planned controls• has access to the Board, FRAC, CEO and CFO and has full, free and unrestricted access to all records, data, personnel and assets at the time they are relevant for performance of internal audit engagements• is subject to a protocol to manage conflicts of interest for internal auditors• shall ensure all records, documentation and information accessed in the course of undertaking Internal Audit activities are to be used solely for the conduct of these activities.
Head of internal audit	<ul style="list-style-type: none">• responsible for the delivery of the Internal Audit function as a whole under the direction of the FRAC and Executive Management and to report on audits and associated risks and controls as required• along with individual Internal Audit staff (including contractors and external service providers performing work on behalf of Internal Audit) is responsible and accountable for maintaining the confidentiality of the information received during the course of the work.

5. Legislation

- Financial Management Act 1994
- Standing Direction 3.2.2 *Internal Audit*

6. Related documents

NA

7. Definitions

For the purposes of this policy, the following definitions apply:

Term	Definition
FRAC	Finance, Risk and Audit Committee of Alpine Resorts Victoria
ARV	Alpine Resorts Victoria
SIAP	Strategic internal audit plan
CEO	Chief Executive Officer
CFO	Chief Financial Officer

8. Approval and implementation

Policy Custodian	Policy contact details	Approval Date	Approver
CFO	mandy.kynnersley@alpineresorts.vic.gov.au	February 2025	FRAC

9. Version Control

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