

# G8 Education Limited

ABN: 95 123 828 553

## Guidelines for Audit and Financial Integrity of Financial Reporting

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## Summary

These guidelines outline the responsibilities of the Board and Audit and Risk Management Committee in ensuring the integrity of financial reporting, compliance with accounting standards, and effective audit practices. They provide a framework for governance, risk management, and communication between auditors, management, and the Board.

While the Board holds overall responsibility for corporate governance and ensuring financial integrity, the Audit and Risk Management Committee performs in depth reviews, focuses on the technical and operation aspects of financial reporting, monitors audit processes and advises the Board on these matters.

### 1. Objectives

These guidelines are to assist the Board and the Audit and Risk Management Committee in fulfilling its corporate governance and oversight responsibilities with respect to:

- Application of accounting policies and reporting of financial information
- Internal and external audit practices and to ensure that effective relationships exist
- Reviewing the effectiveness of the Group's internal control systems
- Providing an avenue for communication between the Group's Internal Auditor or outsourced internal auditor (if applicable), the external auditors, financial management and the Audit and Risk Management Committee and Board

### 2. Meetings

Where considered appropriate by the Chair, the Audit and Risk Management Committee will hold a separate private session with the external auditors, without management representation.

Where considered appropriate by the Chair, the Audit and Risk Management Committee will hold a separate private session with the Group's Internal Auditor or outsourced internal auditor (if applicable) and/or the CFO.

The external auditors and/or the Group's Internal Auditor or outsourced internal auditor (if applicable) may also request a separate private meeting with the Audit and Risk Management Committee or the Board, if they consider that one is necessary.

Unless decided otherwise by the Chair of the Audit and Risk Management Committee, the MD/CEO, CFO, Head of Finance, the Group's Internal Auditor or outsourced internal auditor (if applicable), and partner in charge of the external audit will be routinely invited to attend meetings of the Audit and Risk Management Committee dealing with matters covered by these guidelines. Other senior managers may be asked to attend on specific agenda items.

Where considered appropriate by the Chair of the Board, the partner in charge of the external audit may be requested to attend the Board meeting on specific agenda items.

### 3. Specific Responsibilities

The Audit and Risk Management Committee's main responsibilities under these guidelines are as follows:

#### 3.1 External Financial Reporting

The Audit and Risk Management Committee:

- Consider the appropriateness of the Group's accounting policies and principles and any changes to them;
- Assess significant estimates and judgements in the financial reports and enquire of the external auditor regarding the reasonableness of those estimates;
- Review compliance with accounting standards and other legal requirements;
- Review the clarity of disclosures;
- Review financial reports and approve or arrange amendment;
- Review significant audit adjustments and any audit recommendations that have not been adjusted;
- Review the going concern assumption;
- Review the policies and processes for identifying and assessing business risks and the management of these risks by the Group.

The Board approves the financial reports and ensures compliance with laws, regulations and accounting standard after the review of the Audit and Risk Committee.

### 3.2 Related-party Transactions

- Review and monitor the reasonableness of all related party transactions.

### 3.3 External Audit

- Make recommendations to the Board on the appointment and remuneration of the external auditor (approved by the Board);
- Be satisfied that an effective, comprehensive and complete external audit can be conducted for the set fee;
- Monitor the effectiveness and independence of the auditor, ensuring that the external auditor's rotation practices (usually every 5 years), provision of non-audit services and relationships with the Group do not impair that independence;
- At least annually, obtain a formal written statement of all relationships between the external auditors and the Group;
- Discuss with the external auditor, before the audit commences, the nature and scope of the audit and review the auditors' quality control procedures and steps taken by the auditors to respond to changes in regulatory and other requirements;
- Review the external auditors' management letter and management's response and ensure that information provided is complete and appropriate;
- Give consideration to any other matter communicated by the external auditors, in particular serious difficulties or disputes with management encountered during the course of audits;
- Invite the external auditor to attend meetings to review the audit plan, discuss audit results and consider the implications of the external audit findings for the risk management and control environment;
- Review the employment of former members of the external auditor by the Group if applicable;
- Approve the provision of non-audit services to the Group, where such services are to be provided by the external auditors of the Group itself, or by the external auditors of any of the respective shareholders.

### 3.4 Internal Audit

Determine if there is a need for either an Internal Auditor who is an employee of the Group or an outsourced internal audit firm who will act as the Group's internal auditors. If so:

- Adopt an Internal Audit Charter;
- Ensure that the internal auditors have appropriate standing within the Group;
- Make recommendations to the Board on the appointment or dismissal of the internal auditors (approved by the Board);
- Review and approve the scope of the internal audit plan and work program;
- Monitor the progress of the internal audit work program and consider the implications of the findings for the control environment;
- Monitor and critique management's response to internal audit findings and recommendations;
- Evaluate the process the Group has in place for monitoring and assessing the effectiveness of the internal audit function.

### 3.5 General

- Oversee that the External Auditors and Group's Internal Auditor or outsourced internal auditor (if applicable) meet regularly and maintain a good working relationship;
- Regularly evaluate the Group's Fraud Policy, including the adequacy of procedures related to the handling of allegations on accounting, internal accounting controls and auditing matters from whistleblowers;
- As the Audit and Risk Management Committee may deem appropriate, obtain, weigh and consider expert advice as to audit standards and other accounting, legal and regulatory provisions.
- Review management's processes for ensuring the monitoring of compliance with laws, regulations and other requirements relating to the external reporting by the Group of financial and non-financial information.

## 4. Disclosure of guidelines for audit and integrity of financial reporting

A copy or summary of these guidelines shall be posted onto the Group's website in a clearly marked corporate governance section.