Risk and Audit Committee Charter

Title:	Risk and Audit Committee Charter
Approved by:	QTC Capital Markets Board
Responsible lead:	Executive Director – Company Secretary
Reviewer:	Director – Governance and Performance
Audience:	Public
Brief description:	Sets out the responsibilities, authorities, composition, structure and operation of the Risk and Audit Committee, a committee of the QTC Capital Markets Board
Periodicity of reviews:	Annual
Date of last review:	10 December 2025 (updated 10 June 2026)

1. Overview and purpose

Queensland Treasury Corporation (QTC) is the Queensland Government's central financing authority. Its mandate is to enhance the financial position of the State by providing borrowing, lending, investment, advisory and consulting services, and entering into other financial arrangements. Established under the *Queensland Treasury Corporation Act 1988* (QTC Act), QTC is a corporation sole, reporting through the Under Treasurer to the Treasurer and Queensland Parliament.

QTC's governance framework is incorporated in the QTC Act, the Capital Markets Board Delegation dated 18 March 2026, the annual Capital Markets Board Mandate, the *Financial Accountability Act 2009*, the *Public Sector Ethics Act 1994* and Government standards.

The Capital Markets Board (the Board) is committed to sustaining the high standards of governance, transparency and accountability expected in the public sector and has established and delegated certain authorities and responsibilities to several Board committees to assist in fulfilling its corporate governance responsibilities effectively and efficiently.

This charter sets out the responsibilities, authorities, composition, structure and operation of the Board's Risk and Audit Committee (RAC).

The purpose of the RAC is to assist the Board to fulfill its corporate governance responsibilities relating to QTC's enterprise risk management framework, compliance, financial reporting and audit.

The establishment of the RAC was approved by the Governor in Council via Executive Council Minute 1334 on 1 July 1993.

1.1 Relationship with State Investment Advisory Board

The State Investment Advisory Board (SIAB) was established in 2008 as an advisory board of QTC under section 10(1) of the QTC Act to manage the State's long term assets independent of the QTC Capital Markets Board.

The responsibilities of the RAC as detailed in this charter do not extend to the powers delegated to SIAB pursuant to the SIAB Delegation 2022.

The RAC relies on SIAB and related parties for state investment operations disclosures in the financial statements.

2. Authority

The Board authorises the RAC, within the scope of its responsibilities, to:

- examine any matter as it sees fit or as requested by the Board
- make decisions in relation to certain responsibilities without requiring subsequent Board approval
- engage external resources if necessary to obtain independent advice in relation to RAC matters
- have access to, and seek information from, any QTC staff member in order to carry out the RAC's responsibilities, and
- have full access to QTC's internal and external auditors.

3. Responsibilities

The RAC has the following responsibilities.

Leadership

- Assist the Board to fulfill its corporate governance responsibilities relating to QTC's enterprise risk management framework, compliance, financial reporting and audit

Strategy

- Make recommendations to the Board on risk, compliance and audit strategies
- Monitor and report to the Board on implementation of risk, compliance and audit related strategies

Culture

- Monitor and report to the Board on QTC's risk and control culture

Risk

- Endorse QTC's enterprise risk management framework for the Board's approval
- Monitor and report to the Board on the effectiveness of QTC's enterprise risk management framework
- Endorse QTC's Risk Appetite Statement for the Board's approval
- Monitor and report to the Board on the management of compliance and audit related risks
- Monitor and report to the Board on QTC's holistic risk profile
- Endorse temporary changes to risk appetite that may require an increase or decrease in risk limits for the Board's approval
- Monitor and report to the Board on emerging risk
- Monitor and report to the Board on the effectiveness of QTC's system of internal control
- Monitor and report to the Board on the effectiveness of QTC's business continuity and crisis management framework

Compliance

- Ensure QTC's risk, compliance and audit policies and frameworks reflect legal and regulatory obligations
- Monitor and report to the Board on compliance with legal and regulatory obligations
- Approve the Payment Times Report (a requirement under the *Payment Times Reporting Act 2020 (Cth)*)

Finance

- Endorse the annual financial statements (including identification of Key Management Personnel) for the Board's approval

Internal Audit

- Approve the annual Internal Audit Plan and budget
- Review and monitor internal audit reports and outcomes
- Approve the addition and closure of audit actions arising from internal audits
- Make recommendations to the Board on the appointment and performance of the outsourced internal auditor
- Monitor performance of, and maintain an effective and transparent relationship with, the internal auditor
- Approve the award of any contract to the outsourced internal audit firm for a scope of work other than outsourced internal audit services

External Audit

- Liaise with the external auditor (Queensland Audit Office) on the annual External Audit Plan and fee
- Review external audit reports and outcomes
- Monitor the completion of actions arising from external audits
- Maintain an effective and transparent relationship with the external auditor

Performance

- Endorse QTC's annual report for the Board's approval, including assurance that the report complies with reporting requirements published by the Department of the Premier and Cabinet
- Endorse the following year's corporate performance measures relating to risk, compliance and audit for the Board's approval
- Monitor and report to the Board on corporate performance against agreed risk, compliance and audit related outcomes
- Make recommendations to the Board on the annual assessment of corporate performance against agreed risk, compliance and audit related outcomes
- Report to the Board on RAC performance

Policy

- Approve RAC-owned policies:
  - Compliance Policy
  - Fraud and Corruption Policy
  - Internal Audit Policy
  - Operational Resilience Policy
- Endorse Board-owned policies designated for RAC review:
  - Capital Policy
  - Dividend Policy
  - Enterprise Risk Management Policy
  - Risk Appetite Statement
- Endorse the RAC Charter

General

- Undertake any task assigned to the committee by the Board.

4. Structure and composition

4.1 Composition

The RAC is comprised of at least three Board members. RAC members are appointed by the Board.

4.2 Role of the Chair

The Chair of the RAC is appointed by the Board Chair.

The primary role of the RAC Chair is to:

- chair RAC meetings
- lead the RAC and facilitate constructive and professional contributions by all members, and
- ensure the RAC functions effectively and efficiently as a whole in discharging its responsibilities.

The RAC Chair may resign by signed notice given to the Board Chair.

4.3 Role of Committee members

Members of the RAC are individually responsible to ensure that the RAC fulfills its role as set out in this charter. Members are expected to perform their duties in accordance with the duties and obligations outlined in the QTC Capital Markets Board Charter and QTC's Code of Conduct.

RAC members should understand QTC's organisational structure, operations and industry, together with key developments relevant to the RAC and may receive periodic presentations or assistance to assist with achieving that understanding.

Collectively, the RAC will possess:

- a thorough understanding of the core activities of QTC and the environment in which it operates, including its strengths, weaknesses, opportunities and threats
- a commitment to the continual improvement of the outputs that QTC delivers and that contribute to the achievement of the Government's priorities
- a high level of understanding of best practice internal control, risk management and corporate governance
- a sound knowledge of information systems and emerging technology, and
- strong business acumen, a high level of competency in financial matters and the ability to analyse complex financial reports.

A RAC member may resign by signed notice given to the RAC Chair, who will advise the Board Chair.

4.4 Role of Company Secretary

The Company Secretary is primarily responsible for ensuring that RAC processes and procedures run efficiently and effectively, and in accordance with high standards of corporate governance and with accepted and mandated requirements.

The Company Secretary's responsibilities include:

- preparing and circulating meeting agendas
- timely distribution/tabling of all papers, reports and other information relevant to the RAC's activities and operations
- accurately recording and maintaining all minutes of the RAC meetings, and
- monitoring and recording completion of actions arising from RAC meetings.

5. Operation

5.1 Meetings

RAC meetings will be held at least four times per calendar year. Dates of meetings should be agreed before the beginning of each calendar year.

Additional meetings may be convened by any RAC member giving reasonable notice to every other member, together with an agenda for that meeting that has been approved by the Chair.

Board members who are not members of the RAC may attend meetings of the RAC, but may not vote on RAC matters nor act as a proxy for a RAC member unless approved by the Board in writing.

The Chief Executive Officer and Company Secretary are standing attendees at all RAC meetings.

The RAC Chair may request that QTC staff or external parties attend a meeting of the RAC.

5.2 Quorum and decisions

Meetings shall only proceed when a quorum is reached. A majority of members must be present to provide a quorum.

If the Chair is not present at a RAC meeting and has not appointed an Acting Chair, the RAC members must elect a member who is present as Acting Chair for that meeting.

Decisions or recommendations of the RAC will be regarded as its collective decision or recommendation unless there is a material dissension, in which case a minority view will be recorded in the minutes of the meeting and placed before the Board.

At the discretion of the Chair, decisions may be made without a RAC meeting if a majority of the members vote 'in favour of' or 'opposed to' an out-of-session recommendation. The outcome of an out-of-session recommendation must be recorded.

5.3 Agenda and papers

As far as practical, the RAC should agree an annual work plan before the beginning of each calendar year, noting that it may consider other or additional matters in response to changes in QTC's operations and environment. The annual meeting plan will cover all the responsibilities of the RAC outlined in this charter.

The agenda for each meeting will be determined by the Chair in consultation with the Company Secretary.

RAC agendas and papers are approved by the RAC Chair prior to circulation to members. Papers are to be distributed at least four business days before each Committee meeting. RAC papers will not be distributed on the day of the RAC meeting unless approved by the Chair.

5.4 Minutes

The RAC must keep minutes that record the proceedings, recommendations, decisions and actions arising from all meetings.

The draft minutes of meetings will be distributed to the Chair for review within a week of the meeting and then to RAC members for review and comment. Draft minutes will then be presented for approval at the next committee meeting.

5.5 Records

All RAC records will be maintained by the Company Secretary.

All RAC papers and approved minutes will be stored in QTC's records management system, and distributed to members through the Board portal.

6. Reporting

The RAC reports to the Board. Recommendations of the RAC will be referred to the Board for approval. RAC decisions and relevant discussions will be presented to the Board for noting.

The RAC monitors risks relating to compliance and audit, and reports to the Board on QTC's holistic risk profile.

As soon as practicable after the end of each financial year, the RAC will provide the Board with a report that summarises the RAC's performance and achievements over the year. This satisfies the requirement of Section 30(5) of the *Financial and Performance Management Standard 2019*.

6.1 Relationship with other committees

To the extent there is any overlap in the responsibilities of the RAC and the other Board committees, those committees will deal with the overlap in an appropriate manner and will refer any issues that relate more appropriately to another committee to that other committee. If unresolved, final determination will be made by the Board Chair.

7. Performance

In order to ensure that the RAC is fulfilling its duties, it will:

- undertake an annual self-assessment of its performance against the requirements of this charter, and
- provide any information in relation to RAC performance and membership to the Board.

The RAC will review this charter at least every two years to ensure it remains current and consistent with good governance practice and with QTC requirements. Any proposed changes will be recommended to the Board for approval.