1. COMMITTEE PURPOSE

1.1 The primary function of the Audit, Finance and Risk Committee (the Committee) is to assist the Youth Off The Streets Limited (YOTS) Board of Directors in fulfilling its responsibilities within an environment of continuous quality improvement by reviewing:

(a) YOTS financial reporting, including the application of accounting policies and financial management, capital, expenditure and revenue.

(b) The performance and independence of external audit.

(c) The effectiveness of the business risk management framework including internal controls, compliance with applicable laws, regulations, standards and best practice guidelines, and the protection of the entity’s assets.

2. COMMITTEE RESPONSIBILITIES

2.1 The Committee is to:

(a) In relation to financial performance and reporting:

(i) Ensure adequate and appropriate financial reporting, including assessing the appropriateness of accounting policies and practices and ensure that disclosures meet the minimum requirements.

(ii) Review the annual budget and recommend to the Board for approval.

(iii) Review financial performance against budget during the financial year and make appropriate recommendations to the Board.

(iv) Review other financial matters, as required, and make recommendations to the Board as appropriate. Included is the review of financial plans (annual budgets, capital expenditure budgets and forecasts and cash flows) for any new business venture, major capital expenditure or major maintenance outside the budget as approved by the Board.

(b) In relation to risk management and compliance:

(i) Ensure that an appropriate overall risk management framework is in place with at a minimum, annual reporting to the Committee and the Board.

(ii) Ensure that quality improvement is planned, continuous and linked to the risk management framework.

(iii) Review the overall YOTS level risk assessment annually to ensure that key risk areas are identified and managed.

(iv) Evaluate the procedures established by Management to ensure the Company’s compliance with laws and regulations.

(v) Consider any breaches in financial and risk management policies and procedures reported by the COO, CEO or auditors.

(vi) Consider the status of risk management activities and any
significant incidents.

(c) In relation to external audit:
   
   (i) Ensure that independent external auditors are appropriately engaged to fulfil the needs of YOTS.
   
   (ii) Review the scope of the external audit and the quality and effectiveness of the external auditor’s performance.
   
   (iii) Meet formally with the auditor for discussion of draft report prior to finalisation of the auditor’s final report.
   
   (iv) Review management’s response to matters raised by the external auditors.

(d) In relation to other issues:
   
   (i) The Committee is committed to continuous quality improvement.
   
   (ii) Review of the Investment Policy annually, including allowable investment vehicles, with any recommendations for change to the policy to be reviewed for recommendation to the Board. The results of this review and any recommendations for changes to this policy are to be recommended to the Board for approval.
   
   (iii) Review the Company’s delegations of authority and recommend any changes to the Board for approval.
   
   (iv) Review and make the appropriate recommendations on any other operating issue which may materially affect the financial and or legal risks to the Company’s operations.

3. COMMITTEE MEMBERSHIP

3.1 Committee membership shall consist of at least two and not more than four Board members. In addition, an expert Risk Advisor would be a Committee member. The CEO, Director Corporate Services and Accounting Manager are invited by standing invitation to attend. Other members of the YOTS’ Executive or Risk Management team or any relevant staff member may be invited from time to time to present papers or provide information.

3.2 Subject to Board approval, the Chairperson of the Committee may invite external specialists and volunteers to serve as Committee members.

3.3 Committee membership is to be reviewed every two years with recommendations for any changes to be recommended to the Board for approval.

3.4 The Secretary of the Committee will be the Appointed Company Secretary.

4. COMMITTEE REPORTING OBLIGATIONS

4.1 The Chairman of the Audit, Finance and Risk Committee must report to the Board meeting following each Committee meeting. The report should include:

   (a) Any formal resolutions of the Committee.

   (b) Any recommendations to the Board requiring action and/or approval.

4.2 The Committee’s Minutes (including details of members present) must be
Charter - Audit, Finance and Risk Committee

submitted to the Board at its next meeting.

5. MEETINGS
5.1 The Audit, Finance and Risk Committee shall meet a minimum of nine times per year. A quorum shall be two members. An annual work plan will guide the agenda for each meeting.
5.2 The external auditor is to be invited to meetings as required.
5.3 The external auditor shall have access to the Committee Chairman at any time.

6. CHARTER REVIEW
The Board must approve the Charter and all amendments to the Charter. The Charter shall be formally reviewed on a periodic basis, but at least every two years.

DATE:

CHAIRMAN

Document status
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<td>Version</td>
<td>2</td>
</tr>
<tr>
<td>Effective date</td>
<td>October 2013</td>
</tr>
<tr>
<td>Publisher</td>
<td>Corporate Services</td>
</tr>
<tr>
<td>Authorised by</td>
<td>Board</td>
</tr>
<tr>
<td>File name</td>
<td>Charter – Audit Finance Risk Committee</td>
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<tr>
<td>Next Review by</td>
<td>October 2015</td>
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