



Audit and Risk Committee Charter

Introduction

The Chief Executive Officer (CEO) (as the accountable authority) of the Asbestos Safety and Eradication Agency (the agency) has established an audit and risk committee. This charter determines the functions of the audit and risk committee consistent with the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)* and Rules. The audit and risk committee will be referred to as ‘the committee’ in the body of this document.

Audit and risk committee role

The committee’s role is to provide independent advice and assurance to the CEO on the agency’s financial and performance reporting, risk management and its system of internal control.

Audit and risk committee functions

The functions of the committee are to review the appropriateness of the accountable authority’s:

- financial reporting
- performance reporting
- system of risk oversight and management, and
- system of internal control, for the agency.

Financial reporting

The committee is to review and provide advice on:

- annual financial statements, including recommending the financial statements for signing
- information (other than annual financial statements) requested by Finance in preparing the Australian Government’s consolidated financial statements, including the supplementary reporting package
- processes and systems for preparing financial reporting information
- financial record keeping
- processes in place to allow the accountable authority to stay informed throughout the year of any changes or additional requirements in relation to the financial reporting.

The committee is to provide a statement to the accountable authority:

- whether the annual financial statements, in the committee’s view, comply with the PGPA Act and Rules, the Australian Accounting Standards and supporting guidance



- whether additional agency information (other than financial statements) required by Finance for the purpose of preparing the Australian Government consolidated financial statements; (including the supplementary reporting package) comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance
- whether the agency's financial reporting is appropriate as a whole and include in it any specific areas of concern or suggestions for improvement.

Performance reporting

The committee is to review and provide advice on the appropriateness of the accountable authority systems and procedures for the agency for assessing, monitoring and reporting on its performance. In particular, the committee should consider if:

- the Portfolio Budget Statements and operational plan contain appropriate details of how the agency's performance will be measured and assessed
- the approach to measuring performance throughout the financial year against the performance measures included in its Portfolio Budget Statements, and operational plan is appropriate and in accordance with the Commonwealth performance framework
- appropriate systems and processes are in place for preparing the annual performance statement and inclusion of the statement in its annual report.

The committee is to review the annual performance statements and provide advice to the CEO on their appropriateness to the agency.

The committee is to provide a statement to the CEO about whether, in its view, the agency's annual performance statements and performance reporting is appropriate and include in it any specific areas of concern or suggestions for improvement.

System of risk oversight and management

The committee is to review and provide advice on the appropriateness of the agency's enterprise risk management policy framework including the:

- internal controls in place for identifying and managing risks consistent with the [Commonwealth Risk Management Policy](#)
- approach to managing key risks—including those associated with individual projects and program implementation and activities
- process for developing and implementing fraud control arrangements consistent with the [Commonwealth Fraud Control Framework](#), and satisfy itself that adequate processes are in place for detecting, capturing and effectively responding to fraud risks
- articulation of key roles and responsibilities relating to risk management and adherence to them by agency officials.

The committee is to provide a statement to the CEO about whether, in its view, the system of risk oversight and management is appropriate and include in it any specific areas of concern or suggestions for improvement.



System of internal control

The committee is to review and provide advice on the appropriateness of the accountable authority's:

Internal control framework, including;

- reviewing the approach to maintaining an effective internal control framework and considering whether appropriate processes are in place for assessing whether key policies and procedures are complied with
- reviewing whether relevant policies and procedures are in operation—such as accountable authority instructions, delegations, a business continuity management plan, or WHS policies.

Legislative and policy compliance, including;

- reviewing the effectiveness of systems for monitoring compliance with laws, regulations and associated government policies with which the agency must comply
- determining whether legal and compliance risks have been adequately considered as part of the agency's enterprise risk management framework, fraud control framework and planning.

Security compliance, including;

- reviewing the approach to maintaining an effective internal security system—including complying with the [Protective Security Policy Framework](#)—and ICT security policy

Internal audit coverage, including;

- advising on the operations and strategy of the internal audit function
- reviewing all internal audit reports, providing advice to the CEO on major concerns identified in those reports, and recommending action on significant matters raised—including identification and dissemination of information on good practice.

The committee is to provide an annual statement to the CEO about whether, in its view, the agency's system of internal control is appropriate and include in it specific areas of concern or suggestions for improvement.

Additional functions of the audit and risk committee

The committee is to provide advice on:

Business continuity:

- the approach which has been taken in establishing business continuity planning arrangements—including whether plans have been periodically updated and tested.

Ethical and lawful conduct:

- steps taken to embed a culture that promotes the proper use and management of public resources and is committed to ethical and lawful conduct.



Authority and responsibilities of the audit and risk committee

Authority

The CEO authorises the committee, within the scope of its responsibilities, to:

- obtain any information it requires from any agency employee or relevant external party (subject to any legal obligation to protect information)
- discuss any matters with the external auditor or other relevant external parties (subject to confidentiality considerations)
- request the attendance of any agency employee and the external auditor at its meetings.

Responsibilities of members

Committee members are expected to:

- understand and observe the relevant requirements of the PGPA Act and Rules
- act in the best interests of the accountable authority
- apply good analytical skills, objectivity and good judgement
- express opinions constructively and openly, raise issues that relate to the committee's responsibilities pursue independent lines of enquiry
- commit the time required to review the papers provided.

Committee members must not use or disclose confidential information obtained by the committee except in meeting the committee's responsibilities, or unless expressly agreed by the CEO.

Administrative arrangements

Membership

The committee comprises three members, including a Chair, all of whom are appointed by the CEO.

As per the PGPA Rule, all members of the committee are independent of the agency, and a majority of the members are not officials of any Commonwealth entity.

Committee members will be appointed for an initial period not exceeding three years and may be appointed for a further period not exceeding two years.

New committee members will receive relevant information and briefings upon their appointment to assist them meet their responsibilities.

Committee members, taken collectively, will have a broad range of skills and experience relevant to the agency's operations and at least one member of the committee will have accounting or related financial management experience with, or understanding of, accounting and auditing standards in a public sector environment.



Remuneration

Members of the committee who are not officials of any Commonwealth entity will be entitled to receive remuneration equivalent to the daily sitting fee for a member of the Asbestos Safety and Eradication Council as determined by the Remuneration Tribunal.

[Remuneration Tribunal \(Remuneration and Allowances for Holders of Part-time Public Office\) Determination \(No. 1\) 2023 | Remuneration Tribunal \(remtribunal.gov.au\)](#) is the current determination. If this is superseded by later determinations, the most current determination will apply.

Annual work plan

The committee will devise a proposed schedule of meetings and topics which will guide discussion and detail actions to be taken to perform the committee's functions and the provision and advice to the accountable authority. The schedule will be determined annually and will include all responsibilities outlined in this charter.

Conflicts of interest

Each committee member must disclose to the CEO on appointment any relationships that could be viewed by others as weakening either the individual's or the audit committee's actual or perceived independence and also declare at the beginning of each committee meeting any potential or actual conflicts that may apply to specific matters on the meeting agenda.

Details of potential or actual conflicts of interest declared by committee members and the action taken will be appropriately minuted. Where required by the Chair, a committee member will be excused from the meeting or from the committee's consideration of the relevant agenda item where a potential or actual conflict exists.

Meetings and Quorum

The committee will meet as required by the annual work plan and proposed schedule of meetings, but should meet at least twice a year.

The quorum for a committee meeting is two members. If the Chair is unavailable, one of the members may be appointed as the Acting Chair for that meeting.,

The CEO, the agency's Chief Financial Officer and the agency's Finance Manager should attend all committee meetings unless otherwise directed by the Chair.

Secretariat

The CEO, in consultation with the committee, will appoint a person to provide secretariat support to the committee.

The committee secretariat will ensure:

- the agenda for each meeting is accepted by the Chair
- the agenda and supporting papers are circulated at least one week before the meeting
- minutes of the meeting are prepared and maintained



Australian Government

Asbestos Safety and Eradication Agency

- access to and use of information is provided where it relates to the functions specified in the charter
- any confidential and privacy requirements are specified about any information provided to or obtained by the committee in meeting its responsibilities.

Review

Review of performance

The committee will review its performance periodically and, in doing so, seek feedback from relevant internal and external stakeholders and pay particular attention to the extent to which it has met the responsibilities set out in this charter.

Review of charter

The committee will review this charter periodically and recommend any proposed changes to the CEO for approval.