



Audit and Risk Committee Charter

November 2021

Overview

The Chief Executive Officer (CEO), as the Accountable Authority of Geoscience Australia, has established an Audit and Risk Committee (the Committee) in compliance with section 45 of *the Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 17 of the PGPA Rule 2014 (PGPA Rule).

Under the PGPA Rule, the Accountable Authority of a Commonwealth entity must determine the functions of the entity's Audit Committee by written charter (subsection 17(1)).

This Charter sets out the role, authority, functions, responsibilities and administration of the Committee.

Role

- The Committee's role is to support the governance of Geoscience Australia
- provide independent advice to the Accountable Authority, and
- assist the Accountable Authority to meet their duties and obligations under the PGPA Act.

The Committee has no management responsibilities.

Authority

The Accountable Authority authorises the Committee, in accordance with its role and responsibilities, to:

- obtain any information it requires from any official or external party (subject to any legal obligation to protect information)
- discuss any matters with the Australian National Audit Office (ANAO), or other external parties (subject to confidentiality considerations)
- obtain legal or other professional advice, as considered necessary to fulfil its role, at Geoscience Australia's expense, subject to approval by the CEO
- request the attendance of any official at Committee meetings.

Membership

- The Committee will comprise of three members, appointed by the Accountable Authority, who are not employees of Geoscience Australia.
- The Accountable Authority will appoint one of the members as Chair of the Committee.
- The Accountable Authority and employees of Geoscience Australia may attend meetings as advisers or observers, as determined by the Chair, but must not be members of the Committee.
- A representative(s) of the ANAO will be invited to attend meetings of the Committee, as an observer.

- Membership of the Committee will be reviewed periodically (at least every three years) by the Accountable Authority with the aim of ensuring an appropriate balance between continuity of membership, the contribution of fresh perspectives and a suitable mix of qualifications, knowledge, skills and experience.
- The Committee members will keep abreast of contemporary developments and leading practices in relation to the Committee's responsibilities and functions.

Functions

Under subsection 17(2) of the PGPA Rule, the functions of the Committee are to include reviewing the appropriateness of Geoscience Australia's financial reporting, performance reporting, system of risk oversight and management, and the system of internal control.

Financial reporting

The Committee will review and provide written advice to the Accountable Authority on the appropriateness of the entity's:

- Annual financial statements and their compliance with the PGPA Act, the PGPA Rule, the Accounting Standards and supporting guidance, and recommend the signing of the financial statements by the Accountable Authority.
- Consolidated financial statements supplementary reporting pack.
- Processes and systems for preparing financial reporting information.
- financial reporting as a whole, with reference to any specific areas of concern or suggestions for improvement.

Performance reporting

The Committee will review and provide written advice to the Accountable Authority on the appropriateness of the entity's:

- Performance information included in the Portfolio Budget Statements and Corporate Plan.
- The framework for developing and reporting performance information and the development of the annual performance statements.
- Annual performance statements and the systems and processes in place for its preparation and inclusion in the annual report.
- Performance reporting as a whole, with reference to any specific areas of concern or suggestions for improvement.

Risk oversight and management

The Committee will review and provide written advice to the Accountable Authority on the appropriateness of the entity's:

- Enterprise risk management framework and internal controls for the effective identification and management of its risks consistent with the Commonwealth Risk Management Policy.
- Approach to managing key risks, including those associated with significant, programs and activities.
- Fraud control arrangements and processes to detect, capture and effectively respond to fraud risks consistent with the Commonwealth Fraud Control Framework.

- System of risk oversight and management as a whole, with reference to any specific areas of concern or suggestions for improvement.

Internal control

The Committee will review and provide written advice to the Accountable Authority on the appropriateness of the entity's:

- Internal control framework:
 - Review whether relevant policies and procedures are in place, including Accountable Authority Instructions, delegations and business continuity plans.
 - Review whether there are appropriate processes to assess if key policies and procedures are complied with.
- Legislative compliance:
 - review the systems for monitoring compliance with laws, regulations and associated government policies with which the entity must comply including PGPA legislation and other elements of Finance Law, *Public Service Act 1999*, *Work Health and Safety Act 2011* and the *Privacy Act 1998*.
- Security compliance:
 - review management's approach to maintaining an effective security system through reference to the Protective Security Policy Framework.
- Business continuity arrangements:
 - determine whether a sound and effective approach has been followed in establishing business continuity planning arrangements, including whether business continuity and disaster recovery plans are periodically updated and tested.
- Ethical and lawful conduct:
 - assess whether management has taken steps to embed a culture that promotes the proper use and management of public resources and is committed to ethical and lawful conduct.
- Parliamentary committee reports and external reviews:
 - review the mechanism for reviewing relevant parliamentary committee reports, external reviews and evaluations and reviewing the implementation of any recommendations agreed by Management.

Internal audit

The Committee will:

- Review the proposed internal audit coverage and ensure the coverage takes into account key risks; and recommend that the Accountable Authority approve the Internal Audit Plan and internal audit budget.
- Review audit reports completed by the internal audit service provider and provide advice to the Accountable Authority on significant issues raised.
- Monitor management's implementation of recommendations in audit reports by the outsourced internal audit service providers.

The Committee will:

- Review and endorse the Internal Audit plan for approval by the Accountable Authority.

Other Functions

The Committee will undertake other activities related to its responsibilities as requested by the Accountable Authority.

Engagement with the Australian National Audit Office

The Committee will engage with the ANAO, as Geoscience Australia's external auditor. In particular, the Committee will:

- Provide input on planned ANAO financial statement audit coverage.
- Review ANAO performance audits specific to the entity and relevant cross-entity performance audits; monitor the implementation of audit recommendations; and provide advice to the Accountable Authority on significant issues raised.
- Review management's responses to all ANAO financial statement audit Closing Letters and monitor the implementation of audit recommendations.
- Satisfy itself that the appropriate mechanisms are in place to review and implement, where appropriate, issues raised in relevant ANAO performance audits of other Commonwealth agencies.

Administrative arrangements

Meetings

The Committee will meet at least four times per year. One or more special meetings may be held to review Geoscience Australia's annual financial statements or to meet other specific responsibilities of the Committee.

All Committee members are expected to attend each meeting, in person or via tele- or video- conference. Attendance cannot be delegated.

The Chair is required to call a meeting if asked to do so by the Accountable Authority, and decide if a meeting is required if requested by another member, the internal audit service provider, or the ANAO.

Reporting

The Committee Chair and Chief of Corporate Division will provide a verbal brief to the Accountable Authority following each Committee meeting.

The Committee will provide an Annual Letter of Written Advice to the Accountable Authority to provide assurance that all functions outlined in this charter have been satisfactorily addressed.

The Committee may, at any time, report to the Accountable Authority any other matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the Accountable Authority.

Planning

The Committee will develop a forward meeting schedule that includes the dates, and proposed agenda items for each meeting for the forthcoming year, and that covers all the functions outlined in this charter.

Secretariat

The Secretariat will:

- ensure the agenda for each meeting is approved by the Chair
- circulate the approved agenda and supporting papers at least one week before the meeting

- ensure the Minutes are prepared and maintained
- ensure the Minutes are forwarded in a timely manner to the Chair and Committee members for review and included in the papers for the following meeting for approval.

Conflicts of interest

As part of the induction process, Committee members will be asked to provide a written declaration, through the Committee Chair, to the Accountable Authority declaring any material personal interests they may have in relation to their responsibilities.

Members should consider current and past employment, consultancy arrangements, financial interests, foreign affiliations and related party issues in making these declarations. The Accountable Authority, in consultation with the Chair, should be satisfied that there are sufficient processes in place to manage any real or perceived conflict.

At the beginning of each Committee meeting, Members are required to declare any material personal interests that may apply to specific matters on the meeting agenda. Where required by the Chair, the member will be excused from the meeting or from the Committee's consideration of the relevant agenda item(s).

The Chair is also responsible for deciding, in consultation with the Accountable Authority where appropriate, if he/she should excuse themselves from the meeting or from the Committee's consideration of the relevant agenda item(s).

Details of material personal interests declared by the Chair and other members, and actions taken, will be appropriately recorded in the minutes.

Induction

New members will receive relevant information and briefings on their appointment in relation to Geoscience Australia and its operations to assist them to meet their Committee responsibilities.

Assessment arrangements

The Committee Chair will initiate a self-assessment of the performance of the Committee at least once every two years. The review will involve input from each Committee member, senior management, the internal audit service provider, and any other relevant stakeholders as determined by the Committee. The outcomes of the review will be reported to the Accountable Authority.

Review of charter

At least once a year the Committee will review this charter and any substantive changes will be recommended by the Committee for formal approval by the Accountable Authority.