



AUDIT AND RISK COMMITTEE CHARTER

In accordance with subsection 45(1) of the Public Governance, Performance and Accountability (PGPA) Act 2013, the Chief Executive Officer (CEO) of Geoscience Australia (GA) has established the Audit and Risk Committee (the Committee).

1. Objective

The objective of the Committee is to review the appropriateness of the accountable authority's financial reporting for the entity and provide independent advice to the CEO (and the Advisory Board) regarding GA's risk, control and compliance framework, and external accountability responsibilities.

2. Functions

Section 17(2) of the PGPA Rule 2014 (the Rule) establishes mandatory functions for audit committees:

s17 Functions of the audit committee

- 1) *The accountable authority of a Commonwealth entity must, by written charter, determine the functions of the audit committee for the entity.*
- 2) *The functions must include reviewing the appropriateness of the accountable authority's:*
 - a) *financial reporting; and*
 - b) *performance reporting; and*
 - c) *system of risk oversight and management; and*
 - d) *system of internal control;**for the entity.*

Consistent with subsection 17(2) of the Rule, the CEO has determined that the functions of the Committee are to review the appropriateness of GA's:

- a) **financial reporting** – including reviewing the annual audited financial statements and related management representations, and recommending the signing of those statements
- b) **performance reporting** – providing the accountable authority with independent advice through reviewing the appropriateness of performance reporting. The Committee will review the performance information, systems and framework, and the completeness and accuracy of performance reporting, with reference to the Commonwealth's performance reporting framework and other guidance material issued by the Department of Finance.
- c) **system of risk oversight and management** – including whether:
 - i. GA has a sound enterprise risk management framework and associated processes for effective identification and management of business and financial risks
 - ii. the process for developing and implementing GA's fraud control arrangements is sound, and appropriate processes and systems are in place to detect, capture and respond to fraud risks.
- d) **system of internal control** – including consideration of:
 - i. GA's overall control environment, as reflected in its governance, risk management, compliance and business continuity management arrangements
 - ii. internal audit coverage in relation to GA's key risks
 - iii. internal and Australian National Audit Office (ANAO) audit reports, providing advice to the CEO about significant issues identified, and the implementation of agreed.

The Committee is directly accountable to the CEO for the performance of its functions. The Committee has no executive powers in relation to the operations of GA and may only review the appropriateness of particular aspects of those operations, consistent with its functions, and advise the CEO accordingly.

3. Membership

The Committee will consist of three members appointed by the CEO:

- External Chair
- One External Member
- One Internal Member (Chief of Division).

All members will serve an initial tenure of two years after which they will be eligible for rotation, extension or re-appointment.

Consistent with subsection 17(3) of the Rule, the Committee must consist of at least three persons who have appropriate skills, knowledge and experience to assist the committee to perform its functions.

Subsection 17(4) of the Rule requires the majority of the members of the Committee to be not officials of the entity. The Chair of the Committee will be one of two independent members.

Consistent with subsection 17(5) of the Rule, the Chief Finance Officer will not be a member of the Committee. In addition, the Chief Operating Officer, Chief Information Officer, Internal Audit Contractor and external audit representatives will be invited to attend all meetings as observers. Members of the GA Executive will be invited to attend meetings as Audit Sponsors when specific audit reports are being discussed.

The CEO will be invited to address the Committee annually and may be invited to attend committee meetings to participate in specific discussions or provide strategic briefings to the committee.

A quorum will be a minimum of two members of the Committee. If the internal member is unable to attend and the meeting is unable to be rescheduled, an appropriately qualified representative from Geoscience Australia will be arranged. Both the internal and external members can chair the meeting in the Chair's absence. If the minimum of two members (including the internal member's representative) are unable to attend a meeting, the meeting will be re-scheduled.

3. Responsibilities of Members

Members of the Committee are expected to understand and observe the legal requirements of the relevant legislation. Members with a conflict of interest will notify the committee as soon as these issues become apparent. All members and observers will declare any real or perceived conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic.

Members will at all times behave in a way that upholds the APS Values and respects individual opinions and views.

4. Meetings

The Committee will meet at least four times per year, with one meeting specifically scheduled to include GA's Certificate of Compliance and annual financial statements. The Chair is required to call a meeting if requested to do so by the CEO, or another committee member.

In addition to standing agenda items, the Secretariat will call for agenda items at least 10 working days prior to the next scheduled meeting.

The Agenda, papers and minutes will be recorded on an open-access file in GA's record management system.

5. Reporting

A report will be provided to the Advisory Board following each meeting.