



Australian Government

National Capital Authority

Audit and Risk Committee Charter

June 2023

VERSION CONTROL, CHANGE HISTORY AND DISTRIBUTION

Version Control

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Prepared by: Governance and Legal Services Section

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Change History

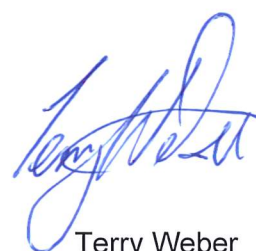
Amendment Date	Version	Page N°(s)	Description of change
June 2018	1	All	Periodic review and minor updates from the previous version
August 2018	2	All	Revised membership structure of the Committee
August 2018	3	All	Suggested changes from the NCA Audit Committee – 29 August 2018
June 2020	4	All	PGPA Rule changes, including with respect to Audit Committee membership; consideration of Resource Management Guide 202 – March 2020; edits from the NCA Audit Committee
June 2022	5	All	Periodic Review with minor updates; change of name to the Audit and Risk Committee
June 2023	6	All	Periodic Review with minor updates

Distribution

NCA Internet – Corporate Documents (nb PGPA requirement)

Audit and Risk Committee Members

Endorsed



Terry Weber

Chair

National Capital Authority

Date: 20 June 2023

1. Introduction

- 1.1. The Board of the National Capital Authority (NCA), as the NCA's Accountability Authority, has established the NCA Audit and Risk Committee in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and PGPA Rule section 17 *Audit Committee for Commonwealth Entities*. Throughout this document the NCA Board will be referred to as 'the Authority'.

2. Role

- 2.1. The Committee's role is to provide independent advice to the Authority on the NCA's financial and performance reporting responsibilities, risk oversight and management, and system of internal control.
- 2.2. The Committee is not responsible for the executive management of these functions. The Committee will engage with management in a constructive and professional manner in discharging its responsibilities and formulating its advice to the Authority.
- 2.3. Members of the Committee are expected to understand and observe the legal requirements of the PGPA Act and PGPA Rule. Members are also expected to:
- i. act in the best interests of the entity as a whole;
 - ii. apply good analytical skills, objectivity and judgment;
 - iii. express opinions constructively and openly, raise issues that relate to the Committee's responsibilities and pursue independent lines of enquiry; and
 - iv. contribute the time required to meet their responsibilities.
- 2.4. Committee members must not use or disclose information obtained by the Committee except in meeting the Committee's responsibilities, or unless expressly agreed by the Authority.
- 2.5. The Committee will be supported by the NCA's Senior Adviser, Major Projects, and Manager, Governance, who will be responsible for secretariat services and managing the delivery of an internal audit program, generally through outsourced providers, in line with the Committee's guidance and subject to approval by the Authority. The Committee will exercise an oversight role in relation to the NCA's internal audit functions.

3. Authority

- 3.1. The Authority authorises the Committee, within its responsibilities, to:
- i. obtain any information it requires from any NCA staff member, or relevant external party (subject to any legal obligation to protect information);
 - ii. discuss any matters with the ANAO, or other relevant external parties (subject to confidentiality considerations);
 - iii. request the attendance of any official, including Authority Members, at Committee meetings; and
 - iv. obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the NCA's expense, with the prior approval of the Authority.

4. Membership and Attendance

- 4.1. The Committee will comprise three external Members, appointed by the Authority.
- 4.2. The Authority will appoint one of these members as the Chair of the Committee.
- 4.3. The Committee is authorised to appoint another Member to act as Chair in the absence of the Chair.
- 4.4. A quorum will consist of a majority of Committee (ie two members). A quorum must be in place at all times during the meeting.

- 4.5. The NCA's Chief Executive, Chief Operating Officer, Chief Financial Officer, and Director, Governance and Legal Services, Senior Adviser, Major Projects, or other management representatives may attend meetings as advisers or observers, as determined by the Chair, but will not be members of the Committee.
- 4.6. A representative(s) of the Australian National Audit Office (ANAO) and/or their service provider will be invited to attend Committee meetings, as observer(s).
- 4.7. A Member of the Authority may attend Audit and Risk Committee meetings as an observer.
- 4.8. Committee members, taken collectively, will have a broad range of skills and experience relevant to their role and the functions and operations of the NCA. At least one member of the Committee should have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.
- 4.9. Members will be appointed for an initial period determined by the Authority. Members may be re-appointed after a review of their performance, for further periods as specified by the Authority.

5. Functions

- 5.1. In line with, but not limited to, PGPA Rule section 17, the Committee will review and give independent advice on the NCA's:
 - i. financial reporting: including reviewing the NCA's financial statements and related management representations, and providing advice, including recommending their signing, to the Authority; and
 - ii. performance reporting: including reviewing the systems and procedures for developing, measuring and reporting on the NCA's key performance measures;
 - iii. system of risk oversight and management: including reviewing the NCA's risk management policy and framework and fraud control arrangements;
 - iv. system of internal controls: including reviewing the NCA's overall control environment, as reflected in its governance, risk management and compliance arrangements, delegation policies and business continuity management arrangements;
 - v. legislative and policy compliance; and
 - vi. internal audit program, reports and recommendations.
- 5.2. In undertaking its role, the Committee will engage with the ANAO, as the NCA's external auditor, in relation to the ANAO's financial statement and performance audit work.

6. Forward Work Plan

- 6.1. The Forward Work Plan outlines the activities to be undertaken to achieve the Committee's functions, noting that it may consider other or additional matters as required.
- 6.2. The plan includes a forward meeting schedule of the dates, location, and proposed agenda items for each meeting for the coming year.

7. Reporting

- 7.1. The Committee will, as often as necessary, and at least once a year, report to the Authority on its operation and activities during the year and confirm to the Authority that all functions outlined in this Charter have been satisfactorily addressed.
- 7.2. The Committee may, at any time, report to the 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 Authority. The Committee will regularly update both the Authority (including the Chief Executive) on its activities and make recommendations to the Authority, as appropriate.

8. Administrative arrangements

- 8.1. The Committee will meet at least four times per year. Of these meetings, one or more meetings will be held to review the NCA's annual financial statements and performance statements or to meet other specific responsibilities of the Committee. The Chair is required to call a meeting if asked to do so by the Authority, and decide if a meeting is required if requested by another member, the ANAO, or one of NCA's internal auditors.
- 8.2. Secretariat support to the Committee will be provided by the Senior Adviser, Major Projects and the Manager, Governance. The Secretariat will ensure:
- i. the agenda for each meeting is approved by the Chair;
 - ii. the agenda and supporting papers are circulated at least five working days before the meeting; and
 - iii. ensure the minutes of the meetings are prepared and maintained.
- 8.3. Draft minutes will be circulated to Committee members within two weeks of the relevant meeting to allow a summary of the meeting to be provided to the Authority in a timely fashion. Final minutes will be approved and signed by the Chair.

9. Conflicts of interest

- 9.1. The Committee will take appropriate steps to avoid, disclose and manage any real or apparent conflicts of interest. Members with a conflict of interest will notify the Chair as soon as these issues become apparent. Any member with a conflict of interest will absent themselves from discussions about relevant matters. The Chair will be the final arbiter of whether a conflict of interest exists. Committee members will provide the NCA Chief Executive with a declaration of material interests annually.

10. Induction

- 10.1. New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

11. Assessment and Review

- 11.1. The Chair of the Audit and Risk Committee, in consultation with the Authority, will initiate a review of the performance of the Committee at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Authority) with appropriate input sought from the Authority (including the Chief Executive), Committee members, senior management, internal and external auditors, the Chief Financial Officer, and any other relevant stakeholders, as determined by the Authority.
- 11.2. The Chair will provide advice to the Authority on a member's performance where an extension of the member's tenure is being considered.
- 11.3. At least once a year the Committee will review this Charter. This review will include consultation with the Authority. Any substantive changes to the Charter will be recommended by the Committee and formally approved by the Authority.

