



**Australian Government**  
**National Capital Authority**

# Audit & Risk Committee Charter

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JUNE 2025

Endorsed

A handwritten signature in blue ink, appearing to read 'Terry Weber'.

Terry Weber  
Chair

National Capital Authority

Date: 12 June 2025

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# 1 Introduction

The Accountable Authority of the National Capital Authority (NCA) 'the Authority' has established the NCA Audit & Risk Committee 'the Committee' in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and *Public, Governance, Performance and Accountability Rule 2014* (PGPA Rule) section 17 *Audit Committee for Commonwealth Entities*.

Audit & Risk Committees play an important role in supporting the governance of Commonwealth entities, providing independent advice to accountable authorities, and assisting them to meet their duties and obligations.

## 2 Objective

Section 45 of the PGPA Act states:

### ***Audit committee for Commonwealth entities***

- (1) *The accountable authority of a Commonwealth entity must ensure that the entity has an audit committee.*
- (2) *The committee must be constituted, and perform functions, in accordance with any requirements prescribed by the rules.*

Under Section 17(1) of the PGPA Rule, the accountable authority must determine the functions of the Audit Committee by written charter 'the Charter'.

## 3 Audit & Risk Committee Functions

Functions of the Audit Committee are, but not limited to, reviewing the appropriateness of the accountable authorities':

- a. financial reporting,
- b. performance reporting,
- c. system of risk oversight and management, and
- d. system of internal control for the entity.

### 3.1 Financial Reporting

As part of reviewing NCA's annual financial statements, the committee will provide an annual statement and report to the Authority on the appropriateness of the NCA's:

- a. annual audited financial statements,
- b. information (other than annual financial statements) requested by the Department of Finance in preparing the Australian Government's consolidated financial statements, including the supplementary reporting package, and
- c. processes and systems for preparing financial reporting information.

The Committee will provide a statement to the Authority including:

- a. whether the annual financial statements, in the Committee's view, comply with the PGPA Act, the PGPA Rule, the Accounting Standards and supporting guidance,



- b. whether additional entity information (other than financial statements) required by the Department of Finance for the purpose of preparing the Australian Government consolidated financial statements (including the supplementary reporting package) comply with the PGPA Act, the PGPA Rule, the Accounting Standards and supporting guidance, and
- c. in respect of the appropriateness of the entity's financial reporting, with reference to any specific areas of concern or suggestions for improvement.

### **3.2 Performance Reporting**

As part of reviewing NCA's annual performance statements, the committee will provide an annual statement and report to the Authority on the appropriateness of the NCA's:

- a. the entity's Portfolio Budget Statements and corporate plan contain appropriate details of how the entity's performance will be measured and assessed,
- b. the entity's approach to measuring its performance throughout the financial year against the performance measures included in its Portfolio Budget Statements and corporate plan is appropriate and in accordance with the Commonwealth performance framework. This may include reviewing, over time, particular elements of the performance measures, and
- c. the entity has appropriate systems and processes for preparation of its annual performance statement and inclusion of the statement in its annual report.

The Committee will provide a statement to the Authority whether, in their view, the NCA's annual performance statements and performance reporting is appropriate, with reference to any specific areas of concern or suggestions for improvement.

### **3.3 System Of Risk Oversight And Management**

As part of reviewing NCA's system of risk oversight and management, the committee will provide an annual statement and report to the Authority on the appropriateness of the NCA's:

- a. enterprise risk management policy framework and the necessary internal controls for the effective identification and management of the entity's risks, in keeping with the Commonwealth Risk Management Policy,
- b. approach to managing the entity's key risks — including those associated with individual projects and program implementation and activities,
- c. process for developing and implementing the entity's fraud control arrangements consistent with the fraud control framework, and satisfy itself that the entity has adequate processes for detecting, capturing, and effectively responding to fraud risks, and
- d. articulation of key roles and responsibilities relating to risk management and adherence to them by officials of the entity.

The Committee will provide statements to the Authority whether, in their view, the NCA's system of risk oversight and management is appropriate, with reference to the Commonwealth Risk Management Policy and any specific areas of concern or suggestions for improvement.

### **3.4 System Of Internal Control**

As part of reviewing NCA's system of internal control, the committee will provide an annual statement and report to the Authority on the appropriateness of the NCA's:

- a. internal control framework,
- b. legislative and policy compliance,
- c. security compliance,
- d. business continuity and disaster recovery,
- e. internal audit coverage, and
- f. implementation of agreed recommendations from internal audits, Australian National Audit Office financial statements and performance audits, and parliamentary committees including the Joint Committee of Public Accounts and Audit.

The Committee will provide a statement to the Authority whether, in their view, the NCA's system of internal control is appropriate for the entity, with reference to any specific areas of concern or suggestions for improvement.

### **3.5 Other Functions**

The Authority may also determine additional functions as necessary to be undertaken by the Committee.

## **4 Authority**

The Authority authorises the Committee, within its responsibilities, to:

- a. Obtain any information it requires from any NCA official, or relevant external party (subject to any legal obligation to protect information).
- b. Discuss any matters with an external auditor, or other external parties (subject to confidentiality considerations).
- c. Request the attendance of any NCA official, including Authority members, at Committee meetings.
- d. Obtain legal or other professional advice, as considered necessary, to meet its responsibilities at the NCA's expense, with prior approval of the Authority.

The Authority directs all NCA officials, including contractors and volunteers, to cooperate with the Committee.

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

## **5 Membership**

The Committee will consist of least three external members appointed by the Authority. The Authority will appoint the Chair of the Committee. The Committee is authorised to appoint another Member to act as Chair in the absence of the Chair.



Members of the Authority (including the Chief Executive), and the Chief Financial Officer may not be members of the Committee but may attend meetings as advisors and/or observers, as determined by the Chair or by the Committee.

Representatives from the Australian National Audit Office (ANAO) and internal audit contracted service provider(s) will not be members of the Committee. However, they may attend relevant Committee meetings (in whole or in part) as observers, as determined by the Chair or by the Committee.

The Committee is supported by NCA Executive and Senior Management advisors. The role of the advisors is to provide advice to the Committee. The advisors may attend relevant Committee meetings (in whole or in part) as observers, as determined by the Chair or by the Committee.

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

Committee members 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.

Committee Members will be appointed for an initial period determined by the Authority. Committee Members may be re-appointed after a review of their performance, for further periods as specified by the Authority.

Committee Members are expected to understand and observe the requirements of the PGPA Act 2013 and PGPA Rule 2014, as well as the following responsibilities:

- act in the best interest of the good governance of the NCA.
- apply good analytical skills, objectivity, and exercise good judgement.
- express opinions constructively and openly raise issues that relate to the Committee's responsibilities and pursue independent lines of enquiry.
- Contribute the time required to review the papers provided.

The PALM Act does not specify maximum tenure terms for Committee members. Based on governance best practice, as a guide, maximum tenure for members is ten years, noting flexibility may be appropriate in special circumstances. Whilst there is a suggested maximum period, best practice guidance reiterates a key consideration for tenure is the principle of independence and a member's ability to conduct themselves independently. Additionally, considerations such as the need to balance valuable corporate knowledge and independence, may require appointments to be staggered.

## **6 Independence**

The Committee is directly accountable to the Authority for the performance of its functions.

The Committee has no executive powers in relation to the operations of the NCA. The Committee may only review the appropriateness of those operations, consistent with its functions, and advise the Authority.

Responsibility for the entities' financial reporting, performance reporting, system of risk oversight and management, and system of internal control rests with the Authority and officials of the NCA.

## **7 Meetings**

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, or another Committee member. The Chair may call a meeting, if deemed appropriate, at the request of an NCA Official.

A quorum shall consist of a majority of Committee members. A quorum must be in place at any time a decision is made by the Committee. Committee Members are not permitted to send proxies if they are unable to attend meetings.

Secretariat support to the Committee will be provided by the NCA's Strategic Implementation, Governance and Legal team. The Secretariat will ensure:

- a. the agenda and supporting papers are circulated at least five working days before the meeting.
- b. the minutes of the meetings are prepared and maintained.

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.

## **8 Planning**

The Committee will develop and maintain a forward meeting schedule and work plan that includes proposed agenda items for each meeting for the forthcoming year, and that covers all functions outlined in this charter. The forward work plan will be subject to review by the Committee at each meeting.

## **9 Conflicts Of Interest**

At least annually, Committee Members will provide written declarations to the Chair for provision to the Authority declaring any potential, perceived or actual conflicts of interest they may have in relation to their responsibilities. Committee Members should consider past employment, consultancy arrangements and any other related issues in making these declarations and the Chair should be satisfied that there are sufficient processes in place to manage any potential, perceived, or actual conflict.

At the beginning of each meeting, Committee Members are required to declare any potential, perceived, or actual conflicts of interest that may apply to specific matters on the meeting agenda.



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(s). Details of potential, perceived, or actual conflicts of interest declared by Committee Members and the actions taken will be appropriately recorded in the minutes of the meeting.

## 10 Assessment Arrangements

The Chair of the Committee will initiate a review of the performance of the Committee at least once every two years.

## 11 Review Of Charter

The Committee will review the appropriateness of this Charter every two years and recommend any substantial changes for consideration by the Authority.

## 12 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 & Risk Committee
June 2023	6	All	Periodic Review with minor updates
May 2025	7	All	Complete review of document including structural and wording changes to assist in ease of reading. Addition of membership tenure information.