



Australian Government

Australian Fisheries Management Authority

Audit and Risk Committee Charter



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Document Control

Approval

This Audit and Risk Committee Charter has been considered and approved by:

	<p style="text-align: center;">WEZ NORRIS CHIEF EXECUTIVE OFFICER ACCOUNTABLE AUTHORITY</p>
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Introduction

1. An independent audit and risk committee is an important element of good governance. Audit and risk committees provide independent advice to the accountable authority of an entity on the appropriateness of the entity's accountability and control framework, including independently verifying and safeguarding the integrity of an entity's financial and performance reporting.

Establishment

2. In accordance with subsection 45(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and Section 17 of the Public Governance, Performance and Accountability Rule 2014 (the Rule), the Chief Executive Officer (CEO) of AFMA, as the accountable authority has established the Audit and Risk Committee (the Committee).
3. This Charter outlines the functions, responsibilities and authority of the Committee in relation to overseeing, reviewing and providing advice on performance, financial, audit and risk management activities within the Australian Fisheries Management Authority (AFMA).

Functions

4. Consistent with subsection 17(2) of the Rule, the AFMA CEO has determined that the Committee is to review and provide independent advice on the appropriateness of AFMA's:
 - financial reporting;
 - performance reporting;
 - systems of risk oversight and management; and
 - systems of internal control for the entity.

Financial Reporting

5. The Committee will review and provide advice on the annual audited financial statements and related financial information, and the processes and systems for preparing financial reporting information.
6. The Committee will provide a statement to the CEO detailing:
 - whether in the Committee's view, the financial management and reporting complies with legislative and policy requirements; and
 - in respect of the appropriateness of AFMA's financial reporting as a whole, and any specific areas of concern or suggestions for improvement.

Performance reporting

7. The Committee will review and provide advice on the appropriateness of the systems and procedures for developing, measuring, and reporting performance in AFMA's annual performance statement.
8. The Committee will provide a statement to the CEO whether in its view, the annual performance statement and performance reporting as a whole are appropriate, with reference to any specific areas of concern or suggestions for improvement.

Systems of risk oversight and management

9. The Committee will review and provide advice on the appropriateness of the:
 - enterprise risk management policy framework and the necessary internal controls for the effective identification and management of AFMA's risks, in keeping with the Commonwealth Risk Management Policy;
 - approach to managing AFMA's key risks—including those associated with individual projects and program implementation and activities;
 - processes for developing and implementing fraud control arrangements consistent with the fraud control framework, and whether AFMA has adequate processes for detecting, capturing, and effectively responding to fraud risks; and
 - key roles and responsibilities relating to risk management and adherence to them by officials of AFMA.
10. The Committee will provide a statement to the CEO whether in its view, the system of risk oversight and management, as a whole is appropriate with reference to the Commonwealth Risk Management Policy and any specific areas of concern or suggestions for improvement.

Systems of internal control

11. The Committee will review and provide advice on the appropriateness of AFMA's:
 - internal control framework;
 - legislative and policy compliance;
 - security compliance;
 - business continuity and disaster recovery; and
 - internal audit coverage.
12. The Committee will provide a statement to the CEO on whether the systems of internal control and management are appropriate with reference to any specific areas of concern or suggestions for improvement.

Membership

13. The Committee comprises three independent (non-AFMA officials) members, appointed by the CEO. The Committee is authorised to appoint a Deputy Chair who will act as Chair in the absence of the Chair.
14. Consistent with subsection 17(3) of the PGPA Rule, the members, taken collectively, will have a broad range of knowledge, skills, and experience relevant to the operations of AFMA. This could include backgrounds in regulation and compliance; environmental, performance or public sector risk management; and information and communications technology. At least one member of the Committee will have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.
15. Members will be appointed for an initial period of three years. Members may be re-appointed after a formal review of their performance, for a further period not exceeding two years, unless otherwise agreed following discussions with the Chair.
16. New members will receive relevant information and briefings on their appointment to assist them to meet their responsibilities.

Independence

17. The Committee is directly accountable to the CEO for the performance of its functions.
18. The Committee has no executive powers, supervisory functions, or decision-making authority in relation to the operations of AFMA.
19. AFMA benefits strongly from an independent expertise-based Committee, and it is reasonable to expect that conflicts of interest (perceived or real) will arise from time to time. In this regard, perceptions of conflict of interest may be as important as an actual conflict. Members must ensure that all interests are identified, disclosed, and managed in a rigorous and transparent way that promotes public confidence in the integrity, legitimacy, impartiality and fairness of the processes of the Committee.
20. Members are required to complete a “Declaration of Interests” annually. A register of Members’ interests is maintained by AFMA. At each Committee meeting, Members are required to identify changes to their register of interests as well as agenda items that may give rise to a potential conflict. Any Member with a conflict of interest will be excused from the Committee’s consideration of the relevant agenda item(s). Details of conflicts of interest declared by members and action taken will be recorded appropriately.
21. Where an interest is identified as being potentially relevant to an agenda item, the Member is excused from the meeting while the remaining Members consider the most appropriate way to handle the situation. Options include:
 - simply acknowledging the declared interest, but agreeing that it is not in conflict or not of sufficient conflict as to change the Member’s participation in discussion and decision

- making;
- allowing the Member to participate in consideration, but not decision-making;
- excluding the Member from the item altogether; or
- another course of action agreed by the remaining Members.

Authority

22. The Committee is authorised, within the scope of its role and responsibilities, to:
 - obtain any information it requires from any employee or external party (subject to any legal obligation to protect information);
 - discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
 - request the attendance of any employee, including the CEO, at Committee meetings; and
 - obtain legal or other professional advice, as considered necessary to meet its responsibilities, at AFMA's expense to a pre-approved limit of \$5,000.

Meetings and Quorum

23. The Committee will meet at least four times per year. A special meeting may be held to review the agency's annual financial statements.
24. The Chair is required to call a meeting if asked to do so by the CEO, and decide if a meeting is required if requested by another member.
25. A quorum will consist of a majority of Committee members. A quorum will include at least two independent members.
26. AFMA officials including the CEO, Chief Operating Officer Corporate Services, Chief Finance Officer, Chief Information Officer and Risk Manager may attend meetings, as required, to present, or as observers. Representatives from external and internal audits may be invited to attend meetings of the Committee, to present, or as observers.

Secretariat

27. AFMA will provide secretariat arrangements for the Committee. The secretariat is responsible for arranging Committee meetings, preparing and coordinating meeting agendas, papers and meeting minutes, and appropriate record keeping of Committee documentation.
28. The Chief Operating Officer Corporate Services will be the Audit Executive supporting the Committee.

Reporting

29. The Committee will, through the Chair, provide a report to the CEO on the outcomes of each meeting.
30. The Committee may, at any time, report to the CEO on any matter it deems of sufficient importance to do so. In addition, at any time an individual Committee member may request a meeting with the CEO.
31. The Committee will also report to the AFMA Commission as requested by the CEO.

Review

32. The Chair of the Committee, in consultation with the CEO, will initiate a review of the performance of the Committee at least once every two years.
33. At least once a year the Committee will review this Charter. This review will include consultation with the CEO. Any substantive changes to the Charter will be recommended by the Committee and formally approved by the CEO.

Remuneration

34. Members will be remunerated for preparation and attendance at Committee meetings and be reimbursed appropriate travel expenses to attend each meeting. Fees will also be paid should there be a requirement for Committee members to consider papers out-of-session.