



Australian Government  
Australian Fisheries Management Authority

# Audit and Risk Committee Charter

June 2016

# 1 Approval

---

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

ACCOUNTABLE AUTHORITY	DR JAMES FINDLAY CHIEF EXECUTIVE OFFICER
-----------------------	---

# 2 Revision history

---

Date	Change Type	Author	Version
8 June 2016			1.0

## 3 Audit and Risk Committee – Charter

---

### Preamble

An independent audit committee is an important element of good governance. Audit committees provide independent advice and assurance 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

In accordance with subsection 45(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), the CEO of AFMA, as the accountable authority, has established the Audit and Risk Committee (the Committee).

This Charter outlines the authority and responsibilities of the Committee in relation to overseeing performance and financial audit and risk management activities within AFMA.

### Functions

Consistent with subsection 17(2) of the *Public Governance, Performance and Accountability Rule 2014* (the Rule), the AFMA CEO has determined that the Committee is to review and provide independent advice and assurance on the appropriateness of AFMA's:

- **financial reporting** including the annual audited financial statements and related management representations, and recommending the signing of those statements;
- **performance reporting** including the framework for developing, measuring and reporting key performance indicators and other performance measures, and AFMA's annual performance statement;
- **systems of risk oversight and management** including AFMA's risk management and fraud control framework and approaches to managing business and financial risks including those associated with individual projects, program implementation, and activities; and
- **systems of internal control** including
  - AFMA's control environment as reflected in its governance, risk management, compliance and business continuity management arrangements
  - internal audit workplans and coverage in relation to AFMA's key risks, as well as responses to internal and external audit recommendations.

## 4 Membership

---

The Audit Committee comprises four members, appointed by the CEO, being one Commissioner and three independent (non AFMA officials) members.

The CEO will appoint the Chair of the Committee. The Committee is authorised to appoint a Deputy Chair who will act as chair in the absence of the Chair.

The CEO, General Manager Corporate Services and Chief Finance Officer may attend meetings as observers. Representatives from external and internal audits will be invited to attend all meetings of the committee, as observers.

The members, taken collectively, will have a broad range of knowledge, skills and experience relevant to the operations of AFMA. 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. Members with relevant legal, environment, ICT or public service standards backgrounds will be preferred.

## 5 Tenure

---

Members will be appointed for an initial period not exceeding 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.

## 6 Independence

---

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

The Committee has no executive powers, supervisory functions or decision-making authority in relation to the operations of AFMA.

Members with a conflict of interest will notify the Committee as soon as these issues become apparent. 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 appropriately minuted.

## 7 Authority

---

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 Chief Executive, at Committee meetings; and
- obtain legal or other professional advice, as considered necessary to meet its responsibilities, at AFMA's expense to a preapproved limit of \$5 000.

## 8 Meetings and Quorum

---

The Committee will meet at least four times per year. A special meeting may be held to review the agency's annual financial statements.

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.

A quorum will consist of a majority of Committee members. A quorum will include at least two independent members.

## 9 Secretariat

---

The Executive Secretary will provide secretariat arrangements for the Committee.

The General Manager Corporate Services will be the Audit Executive supporting the Committee.

## 10 Reporting

---

The Committee will, as often as necessary, and at least once a year, report to the CEO on its operation and activities during the year.

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.

The Committee will also report to the Commission as appropriate.

## 11 Review

---

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.

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.

## 12 Remuneration

---

Members will be remunerated a sitting fee and be reimbursed appropriate travel expenses to attend meetings. Reference will be made to the determinations of the Remuneration Tribunal for similar roles, when revising the fees at the commencement and during a term.