



**Legislative Assembly** for the  
**Australian Capital Territory**

# Audit and Risk Committee Charter

Date	Version	Description / Changes	Approved by
July 2022	V1.0	Charter of the Office's audit and risk committee reflecting name change (from internal audit committee) and referencing whole-of-public sector arrangements under the ACTPS Integrity Policy	Clerk, Audit and Risk Committee

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# 1. Background and overview

## Purpose

- 1.1 This charter sets out the objectives, authority, membership and remit of the Office's Audit and Risk Committee.

## The Office

- 1.2 The Office of the Legislative Assembly is established by section 5 of the [Legislative Assembly \(Office of the Legislative Assembly\) Act 2012](#) (the OLA Act). It consists of the Clerk and the staff of the Office.
- 1.3 Staff are members of the ACT Public Sector and employed under the [Public Sector Management Act 1994](#).
- 1.4 The Clerk is a statutory office holder who has responsibility for the effective management of the Office of the Legislative Assembly. The Clerk has management powers equivalent to a Director-General in relation to the management and operations of the Office.<sup>1</sup>
- 1.5 Neither the Clerk, nor staff of the Office are subject to the direction of the ACT Executive in the exercise of their functions.<sup>2</sup>

## Audit and risk

- 1.6 Section 9 of the Public Sector Management Act requires public employees to exercise reasonable care and diligence in performing their duties, to act impartially and with honesty, and to avoid improper use of Territory resources.
- 1.7 Together, sections 4 and 31 of the [Financial Management Act 1996](#) provide that the Clerk of the Assembly is accountable for the efficient and effective financial management of the Office. The Clerk is also responsible for ensuring that proper accounts and records are maintained, and that adequate internal controls are implemented in relation to the Office's assets and the incurring of liabilities.
- 1.8 To assist the Clerk in meeting these responsibilities, the Clerk has established an Audit and Risk Committee (the committee) in accordance with the Public Sector Management Standards 2006 and the whole of [Framework for Internal Audit Committee and Function](#).

# 2. Objectives of the committee

- 2.1 The objective of the committee is to provide independent advice to the Clerk on the appropriateness of the Office's risk management, internal control, and compliance frameworks to ensure that the Office is able to fulfill its statutory functions and responsibilities.

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<sup>1</sup> See s 152 of the Public Sector Management Act.

<sup>2</sup> See s 8 of the OLA Act

- 2.2 The committee also assists the Clerk in discharging their responsibilities in relation to the overall governance arrangements deployed within the organisation.

### **3. Authority**

- 3.1 The Clerk authorises the committee to conduct or authorise investigations into any matters within its scope of responsibility. The committee has authority to:

- seek any information it requires from any officer or employee of the Office;
- meet with the Office's senior management and the Clerk;
- request the attendance of the Clerk and any employee at committee meetings or discuss any matters with the external auditor (subject to confidentiality considerations); and
- obtain legal or other independent professional advice as considered necessary to meet its responsibilities.

- 3.2 Audit firms engaged by the Office on behalf of the audit committee are regarded as having been given a standing authorisation to access relevant records, documents and staff of the Office in order to perform audit tasks as specified by the committee.

### **4. Membership**

- 4.1 The committee will consist of four members, appointed by the Clerk, with the Chair being an independent member, external to the organisation.

- 4.2 Appointment to the committee is personal, rather than position-based (except for the Senior Director, Office of the Clerk, which is position-based).

- 4.3 Members will be appointed for a three-year term of office, which may be extended by the Clerk.

### **5. Roles and responsibilities**

#### **Risk management and internal control**

- 5.1 The committee is responsible for:

- reviewing the adequacy of risk management arrangements and associated procedures for effectively identifying and managing the Office's financial and business risks, including fraud;
- reviewing the effectiveness of the Office's internal control framework, including over external parties such as contractors and advisors;
- reviewing the Office's key governance policies and procedures, including the Clerk's Financial Instructions for currency and completeness;
- satisfying itself that internal processes and procedures are operating effectively, and risk management is used to support decision making;

- consideration of new or emerging risks; and
- monitoring the Office's fraud and corruption prevention arrangement, including reporting on corrupt conduct consistent with relevant laws and procedural arrangements of the Assembly.

## Ethics

5.2 The committee is responsible for:

- reviewing the Office's organisational culture and the extent to which it is committed to ethical and lawful behaviour; and
- reviewing the Office's approach to compliance with the Office's Code of Conduct and associated policies.

## Internal and external audit and related external scrutiny

5.3 The committee is responsible for:

- reviewing and monitoring the implementation of an effective, risk-based and affordable medium-term audit strategy and associated annual work program;
- reviewing the effectiveness of the internal audit function;
- monitoring reports of external scrutineers (particularly the Standing Committee on Administration of Procedure, the Standing Committee on Public Accounts, the Auditor-General and estimates committees) for matters of relevance to the Office, and advise the Clerk on significant issues identified;
- reviewing all internal audit and related reports and provide advice to the Clerk on significant issues identified and action taken on issues raised (including the identification and dissemination of good practice); and
- monitoring management response to address internal audit findings and recommendations and their implementation and advising the Clerk of any significant slippage in implementation.

## Annual financial statements

5.4 The committee is responsible for reviewing annual draft financial statements and advising the Clerk as to its opinion on the adequacy of the statements and whether or not the draft statements, as prepared, should be transmitted by the Clerk to the Auditor-General.

## Compliance with laws and regulations

5.5 The committee is responsible for reviewing and following up

- the effectiveness of systems that monitor compliance with relevant laws, regulations and government policies;
- the results of the Office's investigation; and
- any non-compliance;
- matters of fraudulent or corrupt conduct.

## Monitoring committee performance

5.6 The committee is responsible for:

- reviewing the charter of the committee once every two years and providing any recommended amendments to the Clerk for approval; and
- reviewing the committee's performance and compliance with its charter, in response to a request from the Clerk, or at its own initiative.

## Training

5.7 Training may be made available to members of the committee to ensure that they are able to perform their roles effectively. Training requests are approved by the Senior Director, Office of the Clerk.

## Other responsibilities

The committee is responsible for investigating, reviewing and advising on issues referred, from time to time, to it by the Clerk.

# 6. Administrative arrangements

## Administrative support

- 6.1 The Office of the Clerk provides administrative support to the committee.
- 6.2 The Office of the Clerk will ensure that the agenda for each meeting and supporting papers are circulated, after approval from the Chair, at least one week before the meeting, and ensure that the minutes of the meetings are prepared and maintained.
- 6.3 Minutes must be approved by the Chair and circulated within two weeks of the meeting to each member, and committee observers as appropriate.

## Meetings

- 6.4 At least three meetings will be held annually, scheduled to align with the principal responsibilities of the committee.
- 6.5 The Chair is required to call a meeting if requested to do so by the Clerk.
- 6.6 Additional meetings may be convened at the request of any committee member or external auditors.
- 6.7 The committee will agree to a forward meeting plan, including meeting dates and agenda items, each year. The forward meeting plan will cover all of the audit committee's responsibilities as detailed in this charter.
- 6.8 Members may submit items for inclusion on the agenda to the Senior Director, Office of the Clerk.

## Attendance at meetings and quorum

- 6.9 Members of the committee are expected to attend all scheduled meetings and attendance will be reported in the Office's annual report. A quorum will be two members, including the Chair.
- 6.10 The Clerk will have a standing invitation to attend all meetings. The committee may invite other people to its meetings as necessary.
- 6.11 Representatives of any contracted internal audit providers will attend as required by the committee.

## Declarations of conflict of interest

- 6.12 Committee members are responsible for declaring a conflict of interest, whether pecuniary or non-pecuniary.
- 6.13 Committee members must declare any conflicts of interest, or any circumstances where conflicts of interest may reasonably be perceived to exist, at the start of each meeting or before discussion of the relevant agenda item or topic. A conflict of interest, once declared, need not be declared again, except where there is a new member of the committee or where an item of business potentially enlivens the conflict of interest.
- 6.14 Details of any conflicts of interest should be appropriately minuted. In all matters where a conflict of interest exists, or may reasonably be perceived to exist, the committee member should not participate in the decision-making process.

## Confidentiality

- 6.15 Committee members have a responsibility to treat all information with appropriate confidentiality. This includes matters tabled and/or discussed at the committee meetings, as well as any additional issues raised out of session.

## 7. Reporting

- 7.1 The committee will, through the chair, provide a memo to the Clerk following each committee meeting.
- 7.2 The committee will regularly, but at least once a year, report to the Clerk on its operation and activities during the year. The report should include:
  - a summary of the work the committee performed to fully discharge its responsibilities during the preceding year; and
  - details of meetings, including the number of meetings held during the relevant period, and the number of meetings each member attended.
- 7.3 The committee may, at any time, report to the Clerk 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 Clerk.



Tom Duncan  
Clerk

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