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Policy Control Sheet

POLICY INFORMATION

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CONSULTATION

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APPROVAL

Title: Chair, NFSA Board

Name: Caroline Elliott

Signature: 

Date: 3/10/2024

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Audit and Risk Committee Charter

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1. Introduction

The National Film and Sound Archive of Australia (NFSA) Board has established the Audit and Risk Committee (the Committee) in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

This Charter determines the functions of the Committee. This charter is consistent with:

- section 45 of the PGPA Act—Audit Committees
- section 16 of the PGPA Act—Duty to establish and maintain systems relating to risk and control
- the Fraud and Corruption Rule (Section 10 of the Public Governance, Performance and Accountability (PGPA) Rule 2014)
- the requirements of the section 17 of the PGPA Rule (Audit committee for Commonwealth entities) (Rule 17).

2. Objective

The primary objective of the Committee is to provide independent advice and assistance to the Board of the NFSA on:

- the risk, control and compliance framework
- the annual financial statements, and
- performance reporting responsibilities.

3. Composition and tenure

The Committee will consist of a minimum of three persons appointed by the Chair of the NFSA Board. The Chair of the Board will appoint a Chair and may appoint a Deputy Chair.

Consistent with Rule 17, all Committee members will be independent and must be persons who are not employees of the NFSA. Board members are not employees of the NFSA and are therefore considered to be independent.

Consistent with Rule 17, the Chair of the Board, Chief Executive Officer (CEO) or Chief Financial Officer must not be members of the Committee. Representatives from the Australian National Audit Office or the NFSA's internal auditors will not be members of the Committee. Any of these persons may attend Committee meetings as observers at the request of the Chair.

The members, taken collectively, will have a broad range of knowledge, skills and experience relevant to the operations of the NFSA. Members should be financially literate. At least one member of the Committee should have accounting or related financial management experience or qualifications, and a comprehensive understanding of accounting and auditing standards in a public sector environment. It is desirable that members have experience in identifying, assessing and controlling financial and organisational risk.

Members will be appointed for an initial period not exceeding three years. Members may be reappointed after a formal review of their individual performance, following a discussion with the Chair of the Board, the CEO and the Chair, for a further period as determined by the Chair of the Board.

4. Functions

The Committee has no executive powers or decision-making authority, except those expressly provided by the PGPA Act, or delegated to it by the NFSA Board.

The Committee provides independent advice to the Board on the appropriateness of the NFSA's financial reporting, performance reporting, system of risk oversight and management, and system of internal control. Responsibility for the NFSA's financial reporting, performance reporting, system of risk oversight and management, and system of internal control rests with the CEO and staff.

The Committee's primary functions include:

4.1. Financial Reporting

The Committee provides independent advice recommending the signing of the annual audited financial statements (section 42 of the PGPA Act), Supplementary Reporting Pack and management representations.

4.2. Performance Reporting

The Committee provides independent advice on the appropriateness of the framework for developing, assessing and reporting on NFSA's performance (including the Corporate Plan and measures in the Portfolio Budget Statements) and the NFSA's annual performance statement (section 39 of the PGPA Act).

4.3. System of risk oversight and management

The Committee provides independent advice on the appropriateness of NFSA's system of risk oversight and management (section 16 of the PGPA Act). This advice should consider whether the NFSA:

- has a sound risk management framework, associated processes, capability and accountability for effective identification and management of the NFSA's business and financial risks, including those associated with individual projects, program implementation and activities
- the process for developing and implementing the NFSA's fraud and corruption control is sound, and the NFSA has appropriate processes and systems in place to detect, capture and effectively respond to fraud and corruption risks.

4.4. System of internal control

The Committee provides independent advice on the appropriateness of NFSA's system of internal control, including consideration of:

- the overall control environment, as reflected in its governance, risk management and legislative, policy and security compliance arrangements
- internal audit resourcing and coverage in relation to the key risks, and recommending approval of the Strategic Internal Audit Plan
- internal and external audit reports, providing advice to the Board about significant issues identified, and monitoring the implementation of agreed actions.

5. Independence

The Committee is directly accountable to the Board for the performance of its functions. Members with an actual, potential or perceived conflict of interest will notify the Committee as soon as possible. Any member with a conflict of interest will absent

themselves from discussions about relevant matters.

6. Authority

The Committee, in performing its functions, is authorised to:

- seek any information it requires from:
 - any official of the NFSA
 - external parties
- request legal or other professional advice, subject to approval by the appropriate delegate
- require the attendance of any official of the NFSA at meetings.

7. Reporting

The Chair will report to the Board after each meeting. The Chair may report directly to the Chair of the Board at any time on any matter.

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

The Committee may, at any time, report to the Chair of the Board or CEO. In addition, at any time, an individual Committee member may request a meeting with the Chair of the Board or the CEO.

8. Meetings

The Committee will meet at least four times per year. A special meeting may be held to review the NFSA's annual financial statements. The Chair will call a meeting if requested to do so by the Chair of the Board, CEO, or another Committee member.

8.1. Attendance at meetings and quorums

A quorum shall consist of a majority of current Committee members.

8.2. Planning

The Committee will develop a forward meeting schedule and annual work-plan that includes the proposed agenda items for each meeting for the forthcoming year. The work-plan will cover all the functions outlined in this Charter. The work-plan will be reviewed at least once per year.

9. Assessment arrangements

The Chair of the Audit Committee will initiate a review of the performance of the Committee at least once every two years on a self-assessment basis.

10. Review of charter

The Committee will review this charter at least every two years. This review will include consultation with the CEO. Any changes to this charter must be approved by the Board.