



INTRODUCTION

The Chief Executive Officer of Comcare (CEO) has established the Audit and Risk Committee (the Committee) in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), *PGPA Rule* section 17 *Audit Committees for Commonwealth Entities* and in accordance with instructions from the Chairperson of the Seacare Authority. A reference to the "entity" in this charter is a reference to both Comcare and the Seacare Authority.

Specific activities of the Committee to support Seacare Authority's functions are identified separately in this charter.

This charter sets out the Committee's authority, composition and tenure, role and responsibilities, reporting and administrative arrangements. The charter was prepared in alignment with the Department of Finance Guidelines.



Authority

The CEO authorises the Committee, in accordance with its role and responsibilities, to:

- Obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information).
- Discuss any matters with the external auditor, internal audit service provider engagement leader, or other external parties (subject to confidentiality considerations).
- Request the attendance of any employee, including the CEO, at Committee meetings.

Where the Committee requires external legal or other professional advice to meet its responsibilities the Chairperson is to seek written authorisation from the CEO for funding for this purpose. The Chief Financial Officer is to provide a process to enable the advice to be obtained within the limits/restrictions provided by the CEO.



Composition and Tenure

The CEO is responsible for the appointment of Committee members.

The Comcare and Seacare Audit and Risk Committee membership Policy outlines the approach for:

- appointing Committee Members and Chair
- determining remuneration
- managing composition and tenure.



Roles and Responsibilities

The Committee's responsibilities, subject to revision by the CEO, are to monitor, review and where appropriate, make recommendations to the CEO and the Chairperson of the Seacare Authority with respect to:

- financial reporting
- performance reporting
- system of risk oversight
- system of internal control
- internal and external audit.

The Committee is not responsible for the executive management of these functions and has no executive powers. The Committee is directly responsible and accountable to the CEO and Chairperson of the Seacare Authority for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for management of the entity rests with the CEO and the Chairperson of the Seacare Authority for their respective entities.



Responsibilities of the Chairperson of the Committee

The Chairperson of the Committee is responsible to:

- Chair meetings of the Committee in accordance with the meeting agenda and the Committee work plan.
- Encourage a free and open discussion at the meetings to enable all matters on the meeting's agenda to be dealt with effectively, efficiently and allowing any Committee member to raise other issues they believe are relevant.
- Ensure, in consultation with the CEO and the CFO, that any items raised out of session with the Chairperson that may require the Committee's review are appropriately scheduled at a Committee meeting or otherwise communicated.
- Promote an open and cooperative relationship with senior management, other entity committees, internal audit and the ANAO.
- Seek the input of advisers, observers or other experts to maximise their contribution to the deliberations of the committee.

Financial reporting

The Committee will review and advise the CEO as to whether:

- Comcare's annual audited financial statements and related management representations comply with the PGPA Act, the PGPA Rules, Accounting Standards and supporting guidelines and endorse signing of the statements.
- Financial reporting as a whole is appropriate, with reference to any specific areas of concern or suggestions for improvements.
- Review the processes in place designed to ensure that financial information included in the entity's annual report is consistent with the signed financial statements.

The Committee will review and advise the Chairperson of the Seacare Authority as to whether:

- The Seacare Authority's annual audited financial statements and related management representations comply with the PGPA Act, the PGPA Rules, accounting standards and supporting guidelines and endorse signing of the statements.
- Financial reporting as a whole is appropriate, with reference to any specific areas of concern or suggestions for improvements.
- Review the processes in place designed to ensure that financial information included in the entity's annual report is consistent with the signed financial statements.

Performance reporting

The Committee will review the CEO of Comcare's performance reporting requirements and advise the CEO on the appropriateness of Comcare's performance framework including:

- The development and annual rolling update of Comcare's Corporate Plan and key performance indicators.
- Systems and procedures for assessing, monitoring and reporting on performance, including the preparation of Comcare's annual performance statement for including in the annual report.
- The approach to measuring performance throughout the financial year against the performance measures included in the Group and Corporate Plans.
- Whether, in the Committee's view, annual performance statements and performance reporting as a whole are appropriate, with reference to any specific areas of concern or suggestions for improvements.



The Committee will review the Chairperson of the Seacare Authority's performance reporting requirements and advise the Chairperson of the Seacare Authority on the appropriateness of Seacare Authority's performance framework including:

- The development and update of Seacare Authority's Corporate Plan and key performance indicators.
- Systems and procedures for assessing, monitoring and reporting on performance, including the preparation of Seacare Authority's annual performance statement for inclusion in the annual report.
- The approach to measuring performance throughout the financial year against the performance measures included in the Portfolio Budget Statements and the Corporate Plan.
- Whether, in the Committee's view, annual performance statements and performance reporting as a whole are appropriate, with reference to any specific areas of concern or suggestions for improvements.

System of risk oversight

The Committee will review and advise the CEO on the appropriateness of Comcare's:

- Risk management framework and associated processes for effective identification and management of Comcare's strategic, operational, regulatory, corporate insurance, and financial risks, including fraud risks and those associated with individual projects and activities.
- Business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested at appropriate levels in the management structure.
- Reporting on fraud that outlines any identified allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in the entity.
- Assurance map, at least annually, that it identifies the entity's key assurance arrangements and the effectiveness of key assurance controls.
- Development and implementation of appropriate risk management strategies for its investment risk exposures in the areas of liquidity, market, operational, shared and emerging risks, relative to its long-term liabilities.

The Committee will review and advise the Chairperson of the Seacare Authority on the appropriateness of Seacare Authority's:

- Risk management framework and associated processes for effective identification and management of Seacare Authority's strategic, operational, and financial risks, including fraud risks and those associated with individual projects and activities.
- Development and implementation of appropriate risk management strategies.

System of internal control

The Committee will review and advise the CEO on the appropriateness of the entity's:

- Overall control environment, as reflected in its governance, risk management and compliance arrangements.
- Internal security system and ICT security policy.
- Mechanisms in place to review and implement, where appropriate, relevant parliamentary committee reports and external reviews of the entity, and recommendations arising from these reports and reviews.
- Management to embed a culture which is committed to ethical and lawful behaviour through discussion or evidence.



Internal Audit

The Committee will review and advise the CEO on the appropriateness of the entity's:

- Proposed internal audit resourcing and coverage, the extent to which that coverage considers the entity's key risks and recommending approval of the annual internal audit work program by the CEO.
- Internal audit reports, providing advice to the CEO and the Chairperson of the Seacare Authority about significant issues identified, and monitoring the implementation of agreed actions.
- Implementation of agreed actions to address issues identified in audit reports.
- Any specific internal audit activities which have been initiated by Comcare.
- Recommend to the CEO the appointment of an internal audit service provider through a procurement process.
- Internal audit service provider and their performance, and report this to the CEO.

Compliance with relevant laws and policies

The Committee will review and advise the CEO on the status of entity's legislative compliance to:

- Determine whether management has appropriately considered legal and compliance risks as part of the entity's risk assessment and management arrangements.
- Review the effectiveness of the system for monitoring the entity's compliance with those laws, regulations and associated government policies that the entity must comply with.
- Review any external compliance reports or attestations and consider the appropriateness of management processes.

External Audit

The Committee will:

- Act as a forum for communication between the CEO, Chairperson of the Seacare Authority, senior management and external audit.
- Review the external audit strategy and provide input and feedback on the planned financial statements and performance audit coverage as required.
- Review any management letter points from external audit and monitor management's implementation of audit recommendations.
- Review plans and reports in respect of proposed or completed performance audits affecting the entity and monitor management's implementation of audit recommendations.
- Monitor applicable findings in relevant external audit reports, guidance material and better practice guides and provide notice to the CEO and Chairperson of the Seacare Authority on action taken in relation to significant issues raised.
- Review and provide advice to the CEO and the Chairperson of Seacare Authority in relation to proposed 'non-audit related services' the External Audit service provider is seeking to conduct.



Responsibilities of Members

Members of the Committee are expected to understand and observe the legal requirements of the PGPA Act. Members are also expected to:

- Contribute the time needed to meet their responsibilities.
- Apply good analytical skills, objectivity and good judgment.
- Express opinions constructively and openly, raise issues that relate to the Committee's responsibilities and pursue independent lines of inquiry.
- Act in the interests of the Entity as a whole.
- Prepare a workplan, with assistance from Assurance, Risk and Fraud team, that outlines the activities to be undertaken to achieve the Committee's functions.

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

Sub-committees

The Committee may establish one or more sub-committee/s to assist the full Committee in meeting its responsibilities, in consultation with the CEO.

The responsibilities, membership and reporting arrangements for each sub-committee shall be documented and approved by the full Committee.

Committee sub-committees should not assume any management functions, nor should management exert inappropriate influence over the work of sub-committees.



Reporting

The Chairperson of the Committee will report, within one month of each meeting, to the CEO of Comcare on its operation and activities during the period. The Chairperson will provide additional reports to the CEO upon their request.

The Chairperson of the Committee will at least annually provide a detailed report to the CEO which should include:

- A summary of Comcare's progress in addressing the findings and recommendations made in internal and external reports.
- An overall assessment of Comcare's risk, control and compliance framework, including details of any significant emerging risks or legislative changes impacting Comcare.

The Committee may, at any time, report to the CEO of Comcare or the Chairperson of the Seacare Authority on 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 CEO of Comcare and/or the Chairperson of the Seacare Authority.

The Committee will provide sufficient information for inclusion in the Annual Report to discharge CEO and Chairperson of the Seacare Authority accountability responsibilities.



Administrative Arrangements

Meetings and planning

The Committee will meet at least four times per year. A special meeting may be held to review the entity's annual financial statements and performance statements or to meet other specific responsibilities of the Committee.

The Chairperson of the Committee 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 Committee member, internal audit provider or the ANAO.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all the Committee's responsibilities, as detailed in this charter.

The Committee will prepare a work plan that outlines the activities to be undertaken to achieve the Committee's functions.

The Chairperson of the Committee will be regularly updated with Comcare's audit and risk activities and emerging issues by the Chief Financial Officer/ Assistant Director, Assurance, Risk and Fraud, in planning the agenda for each meeting.

Attendance at meetings and quorums

A quorum will consist of at least two members of which one is the Chair. The quorum must be in place at all times during the meeting.

Meetings can be held in person, by telephone or by video conference.

The CEO and Chairperson of the Seacare Authority may be invited to attend Committee meetings to participate in specific discussions or provide strategic briefings to the Committee.

The Chairperson of the Seacare Authority is to be invited to attend at meetings of the Committee aligned to Seacare Authority matters as specified in the Committee's workplan.

Representatives from the internal audit service provider and Australian National Audit Office will be invited to attend each meeting as observers, unless requested not to do so by the Chairperson of the Committee. The CEO, the Chief Finance Officer, the Chief Information Officer, Chairperson of the Seacare Authority, representatives from the audit providers and other persons as required may attend meetings as observers, as determined by the Chair, but will not be members of the Committee.

External audit and the internal audit provider are to be afforded the opportunity of meeting privately with Committee members prior to the start of each Committee meeting, as required.



Secretariat

Secretariat support will be provided by Assurance, Risk and Fraud team to the Committee although the Committee may request certain functions to be undertaken by other persons. The secretariat will ensure:

- The agenda for each meeting is approved by the Chair.
- The agenda and supporting papers are circulated at least one week before the meeting.
- The agenda and supporting papers where relevant to the Seacare Authority are circulated at least one week before the meeting.
- The minutes of the meetings are prepared and maintained. Minutes must be reviewed by the Chairperson of the Committee and circulated in a timely manner to each member and Committee advisers and observers, as appropriate. Minutes must be approved by the Chairperson once they are accepted by the Committee, usually at the next meeting.
- Annual conflicts of interest declarations are completed by members and provided to the CEO.

Conflicts of interest

Once each year, Committee members shall provide written declarations to the CEO declaring any material and personal interests and relationships. External members will be asked to consider past employment, consultancy arrangements, related party issues and the interests and relationships of immediate family members in making these declarations. The CEO, in consultation with the Chair, should be satisfied that there are sufficient processes in place to manage any real or perceived conflict.

Committee members shall declare any material personal interests at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any material personal interests should be included in the minutes. The Chairperson of the Committee is also responsible for deciding, in consultation with the CEO where appropriate if he/she should excuse themselves from the meeting or from the Committee's consideration of the relevant agenda item(s).

Induction

New members will receive relevant information and briefings on their appointment from Audit and Assurance to assist them to meet their Committee responsibilities.

Assessment and review

The Chairperson of the Committee shall initiate annually a review of the performance of the Committee and this Charter. The review will be conducted on a self-assessment basis (unless otherwise determined by the CEO) with appropriate input sought from the CEO, the internal and external auditors, management and any other relevant stakeholders, as determined by the CEO.

The CEO may also seek input from the Chairperson on the performance of (external) member's performance where an extension of that member's tenure is being considered.

Approved by CEO

Date: 25 March 2020