

# Risk and Audit Committee Charter

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Australian Government

Aged Care Quality and Safety Commission

Engage  
Empower  
Safeguard



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# 1. Introduction

## 1.1 Introduction

1. This Charter describes the functions of the Aged Care Quality and Safety Commission's Risk and Audit Committee (Committee).
2. The Committee is appointed by the Aged Care Quality and Safety Commissioner (the Commissioner), the Commission's accountable authority.
3. As far as practicable, the Committee should indicate which matters it will consider during any given year in a forward work plan, noting that it may consider other or additional matters in response to changes in the Commission's operations and environment. The forward work plan should be read in conjunction with the Charter.
4. The Committee is required to provide written advice to the Commissioner with regards to the appropriateness of certain Commission functions.

## 1.2 Legislative functions of audit committees

5. The *Public Governance, Performance and Accountability Act 2013* (PGPA Act) requires that accountable authorities of Commonwealth entities ensure that their entity has an audit committee (subsection 45(1)), and that committee is constituted and performs functions in accordance with any requirements prescribed by the associated rules (subsection 45(2)).
6. Under the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), the accountable authority of a Commonwealth entity must determine the functions of the entity's audit committee by written charter (subsection 17(1)). Under subsection 17(2) these functions must include reviewing the appropriateness of the accountable authority's:
  - a) financial reporting
  - b) performance reporting
  - c) system of risk oversight and management
  - d) the system of internal control, for the entity.



## 2. Authority of the RAC

### 2.1 Scope of authority

7. The Committee is responsible for advising the Commissioner as Accountable Authority on effective and robust processes and controls, in accordance with section 45 of the PGPA Act and section 17 of the PGPA Rule. The committee is not responsible for executive management of these functions.
8. The Commissioner authorises the Committee to engage with stakeholders, in accordance with its role and responsibilities, to:
  - a) obtain any information it requires from any employee or external party (subject to any legal obligation to protect information)
  - b) discuss any matters with the Australian National Audit Office (ANAO), external auditor, or other external parties (subject to confidentiality considerations)
  - c) request the attendance of any employee or other person at a Committee meeting
  - d) obtain legal or other professional advice, as considered necessary to fulfil its role, at the Commission's expense, subject to approval by the Commissioner or delegate.

## 3. Committee functions

### 3.1 Financial reporting

9. The Committee will review the appropriateness of the Commission's systems and processes for financial reporting. The Committee will review and provide advice on:
  - a) compliance with the mandatory requirements of the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance
  - b) annual financial statements
  - c) information (other than annual financial statements) requested by the Department of Finance in preparing the Australian Government's consolidated financial statements, including the supplementary reporting package
  - d) processes and systems for preparing financial reporting information
  - e) financial record keeping
  - f) processes in place to allow the Commission to stay informed throughout the year of any changes or additional requirements in relation to the financial reporting.



10. The Committee will provide a statement to the Commissioner regarding: whether, in its view, the annual financial statements and additional entity information comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance; and in respect of the appropriateness of the entity's financial reporting as a whole, with reference to any specific areas of concern or suggestions for improvement.

## 3.2 Performance reporting

11. The Committee will review the Commission's systems and procedures for assessing, monitoring and reporting the achievement of the Commission's performance. The Committee will review the performance statements and provide advice to the Commissioner.
12. In performing this function, the Committee will satisfy itself that:
  - a) the Portfolio Budget Statements and corporate plan contain appropriate details of how the Commission's performance will be measured and assessed
  - b) the Commission's approach to measuring its performance throughout the financial year against the performance measures included in its Portfolio Budget Statements and corporate plan is appropriate and in accordance with the Commonwealth performance framework. This may include, reviewing, over time, particular elements of the performance measures
  - c) the Commission has appropriate systems and processes for preparation of its annual performance statement and inclusion of the statement in its annual report
  - d) the proposed annual performance statement is not inconsistent with the Commission's financial information, including its financial statements, which it proposes to include in its annual report.
13. The Committee will provide a statement to the Commissioner regarding whether, in its view, the Commission's annual performance statements and performance reporting as a whole is appropriate, with reference to any specific areas of concern or suggestions for improvement.

## 3.3 Risk oversight and management

14. The Committee will review and provide advice on the appropriateness of the Commission's:



- a) Enterprise Risk Management Policy Framework and the necessary internal controls for the effective identification and management of the Commission's risks, in keeping with the Commonwealth Risk Management Policy
  - b) approach to managing the Commission's key risks, including those associated with individual projects and program implementation and activities
  - c) process for developing and implementing the Commission's fraud and corruption control arrangements consistent with the fraud and corruption control framework, and satisfy itself that the Commission has adequate processes for detecting, capturing and effectively responding to fraud and corruption risks
  - d) articulation of key roles and responsibilities relating to risk management and adherence to them by officials of the Commission.
15. The Committee will provide a statement to the Commissioner regarding whether, in its view, the Commission's system of risk oversight and management is appropriate (with reference to the Commonwealth Risk Management Policy) and any specific areas of concern or suggestions for improvement.

### **3.4 System of internal control**

16. The Committee will provide advice on the appropriateness of the following elements of the Commission's system of internal control:
- a) Internal control framework
  - b) review the Commission's approach to maintaining an effective internal control framework and whether appropriate processes are in place for assessing whether key policies and procedures are complied with
  - c) review whether the Commission has in operation relevant policies and procedures – such as accountable authority instructions, delegations, a business continuity management plan, or bullying and harassment policies.
  - d) Legislative and policy compliance
    - review the effectiveness of systems for monitoring the Commission's compliance with laws, regulations and associated government policies with which the Commission must comply
    - determine whether the Commission has adequately considered legal and compliance risks as part of its enterprise risk management framework, fraud control framework and planning.
  - e) Security compliance
    - review the Commission's approach to maintaining an effective internal security system (including complying with the Protective Security Policy Framework).



- f) Internal audit coverage
  - review the proposed internal audit coverage, ensuring that the coverage considers the Commission's primary risks, and recommending the Commissioner's approval of the internal audit work plan
  - review all internal audit reports providing advice to the Commissioner on major concerns identified in those reports, and recommending action on significant matters raised – including identification and dissemination of information on good practice
  - review the adequacy of internal audit resources and budget to carry out its responsibilities
  - monitor the Commission's implementation of internal audit recommendations
  - periodically, as agreed, meet privately with the Chief Audit Executive
- g) obtain an annual report from the Chief Audit Executive, or the outsourced internal audit service provider, on the overall state of the Commission's internal controls
  - coordinate, to the extent possible, the work program of internal audit and other assurance or review functions
  - consider the effectiveness of the internal audit function and provide recommendations to management and the Commissioner on any improvements needed.
- h) Administration
  - provide input to the Commissioner on the appointment of an internal audit service provider as requested where any part of the internal audit function is outsourced or co-sourced.
- i) Business continuity
  - satisfy itself that an appropriate approach has been taken in establishing business continuity planning arrangements – including whether business continuity and disaster recovery plans have been periodically updated and tested.
- j) Ethical and lawful conduct
  - assess whether the Commission has taken steps to embed a culture that promotes the proper use and management of public resources and is committed to ethical and lawful conduct
  - review the process for communicating the Code of Conduct to employees and contractors and for monitoring compliance therewith.
- k) Parliamentary committee reports, external reviews and evaluations
  - Satisfy itself that the Commission has appropriate mechanisms for reviewing relevant parliamentary committee reports, external reviews and evaluations of



the Commission and implementing, where appropriate, any resultant recommendations.

17. The Committee will provide a statement to the Commissioner regarding whether the system of internal control is appropriate, with reference to any specific areas of concern or suggestions for improvement.

## **4. Conduct of the Committee**

### **4.1 Membership**

18. The Committee will consist of at least three and not more than five members appointed by the Commissioner, including a Committee Chair and Committee Deputy Chair. The members must be independent and must not be officers of the Commission. A majority of members must be people who are not officials of any Commonwealth entity.
19. All new members must be provided with an induction pack (Risk and Audit Committee Member Guide) and complete any necessary familiarisation, training and security requirements prior to their second meeting.
20. Committee members, taken collectively, should have a broad range of skills and experience relevant to the operations of the Commission. At least one member of the Committee should have accounting or related financial management experience, with an understanding of accounting and auditing standards in a public sector environment. A skills matrix is maintained to identify the range of skills held by members and the Committee as a whole.
21. Committee members may be appointed for a term of up to four years, with the option to be re-appointed at the end of their term, but cannot remain on the Committee for a period longer than nine years.

### **4.2 Conflict of interest**

22. Once each year Committee members will provide written declarations, through the Committee Chair, to the Commissioner declaring any material personal interests they may have in relation to their responsibilities. Members should consider past employment, consultancy arrangements and related party issues in making these declarations. The Commissioner, in consultation with the Committee Chair, should be





satisfied that there are sufficient processes in place to manage any real or perceived conflict.

23. At the beginning of each meeting, members are required to declare any material personal interests that may apply to specific matters on the meeting agenda. The Committee Chair will determine the extent of any conflict and can require the member be excused from the meeting or from the Committee's consideration of the relevant agenda items.
24. The Committee Chair is responsible for deciding, in consultation with the Commissioner where appropriate, if he/she should excuse themselves from the meeting or from the Committee's consideration of the relevant agenda items on the grounds of perceived or real conflict of interest. Details of material personal interests declared by the Committee Chair and other members, and actions taken, will be appropriately recorded in the minutes.

## **4.3 Meetings**

25. The Committee will meet at least four times per year, and more often if required. Special meetings may be held to review the Commission's annual financial statements and performance statements, or to discharge other specific Committee functions. Meetings may be virtual or in person at the Commission's offices. The Committee Chair will call a meeting if requested to do so by the Commissioner and may call a meeting if requested by another Committee member.
26. A quorum consists of two members, including the Committee Chair or the Committee Deputy Chair. The quorum must always be in place during a meeting.
27. An individual Committee member may request a meeting with the Commissioner through the Committee Chair or Chief Audit Executive.
28. 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 Commissioner.
29. The Commissioner directs officials of the Commission to cooperate with the Committee.
30. The Commissioner and other management representatives may attend meetings as advisers or observers, as determined by the Committee Chair. Representatives from



the ANAO and providers of internal audit services may attend relevant Committee meetings (in whole or in part) as guests, as determined by the Committee Chair.

31. The Chief Audit Executive (role held by Executive Director, Enterprise Governance and Strategy), Chief Internal Auditor (role held by Senior Director, Governance and Risk), Chief Financial Officer, or the person acting in such roles, will be invited to attend each meeting.

## 4.4 Relationships

32. The Committee is directly accountable to the Commissioner for the performance of its functions. The Committee will generally communicate with the Commissioner through the Chief Audit Executive, Chief Internal Auditor and/or Committee Secretariat or otherwise directly.

## 4.5 Decisions without meetings

33. The Committee can make decisions without a meeting in the following circumstances:
  - a) all Committee members have been informed of the proposed decision (or reasonable efforts have been made to inform all members)
  - b) a majority of Committee members entitled to vote on the proposed decisions indicate agreement.
34. Committee members are to indicate agreement to a decision by providing written advice to the Committee Chair and Committee Secretariat of their agreement to the proposed decision. This can be done by electronic signature or by preliminary email advice.

## 4.6 Reporting, review and evaluation

35. The Committee Chair will report to the Commissioner following a meeting of the Committee on any matters the Committee considers should be brought to the attention of the Commissioner.
36. The Committee will at least once annually confirm to the Commissioner that all its functions have been carried out and comply with any other reporting requirements specified by the Commissioner.
37. The Committee will review its charter annually. This review will be undertaken in consultation with the Commissioner. Any changes to the charter will be recommended by the Committee and formally approved by the Commissioner.



38. The Committee Chair will initiate a review of the Committee's performance at least once every two years through self-assessment against this Charter. The outcomes of this assessment will be reported to the Commissioner.

## 4.8 Committee Secretariat

39. Staff of the Commission will fulfil the role of Committee Secretariat, and will be responsible for developing, under instruction from the Committee Chair, an agenda for each meeting. The Committee Secretariat will also ensure that papers are provided to members at least five and desirably seven working days in advance of a meeting.
40. The Committee Secretariat will attend Committee meetings for the purposes of keeping an accurate record but will not take part in the meeting. Minutes will be compiled, approved by the Committee Chair and distributed to all members within seven working days of the meeting taking place.

# 5. Document Control

## 5.1 Document history

Status: Final

Version: 3.0

Approved by: Aged Care Quality and Safety Commissioner

Approved on: 10/07/2025

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## 5.2 Review date

This document will be reviewed annually from the date of this version and as required after that date.

## 5.3 History record

Date	Version	Author	Description of Change
20/11/2023	1.1	Bree Dettman	Review & update in line with Audit Committees: Resource Management Guide (RMG) 202
21/02/2024	1.2	Sam Bonaccorso	Review & update in line with Committee member feedback.



08/04/2024	2.0	Sam Bonaccorso	Review & update in line with Committee member feedback at RAC05/2023-24.
10/07/2025	3.0	Lisa Schutz	Review and update in line with Committee member feedback.