

# Audit and Risk Committee Charter

**Charter**

Version 1 | May 2025

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Australian Government  
Australian Skills Quality Authority

**ASQA**

**(Working together)**

# Contents

1. Governance .....	2
1.1 Establishment .....	2
1.2 The Charter .....	2
1.3 Role of the Committee .....	2
1.4 Membership .....	3
1.5 Senior Adviser and Observers .....	3
1.6 Invitees .....	3
1.7 Conflicts of Interest .....	3
2. Functions .....	4
2.1 Financial Reporting .....	4
2.2 Performance Reporting .....	4
2.3 Risk Oversight & Management .....	4
2.4 Internal Control .....	5
2.5 Other responsibilities .....	5
3. Operation of committee .....	6
3.1 Meetings .....	6
3.2 Quorum .....	6
3.3 Role of the Chair .....	6
3.4 Secretariat .....	7
3.5 Annual Work Plan .....	7
3.6 Agenda .....	7
3.7 Advice and recommendations .....	7
3.8 Minutes .....	7
3.9 Post Meeting .....	8
3.10 Annual Report .....	8
3.11 Annual Statement .....	8
4. Committee's Performance .....	8
4.1 Review of performance .....	8
4.2 Review .....	9
Appendix 1 .....	10
Skills and Experience .....	10
Audit committee skills matrix .....	10
Review and document control .....	12

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Page i

# 1. Governance

## 1.1 Establishment

The Audit and Risk Committee is established by the Accountable Authority, pursuant to section 45 (1) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and section 17 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).

## 1.2 The Charter

This document, to be known as the Audit and Risk Committee Charter (the Charter), is approved by the Accountable Authority. The Charter is principles based with an accompanying annual work plan detailing the activities the Committee will undertake in fulfilling its functions.

The Charter articulates the Audit and Risk Committee's role, authority, responsibilities, composition and tenure, reporting, and administrative arrangements as determined by the Accountable Authority, capturing the minimum requirements for relating to the committee pursuant section 17 of the Public Governance, Performance and Accountability Act Rule 2014 (PGPA Rule).

The Charter will be periodically reviewed to maintain its alignment with excellence in governance standards and compliance with legislation, policy and best practice.

## 1.3 Role of the Committee

The Audit and Risk Committee (Committee) will provide independent advice to the Accountable Authority on the appropriateness of ASQA's financial and performance reporting, system of risk oversight and management, and system of internal control.

The Committee is an oversight and advisory committee operating under the delegation of the Accountable Authority. The Committee has no managerial responsibilities and does not make decisions in relation to the entity's processes and functions.

Members are required to understand and observe the legislative requirements of the PGPA Act and Rules.

Members are expected to:

- act objectively in the best interests of ASQA
- apply good analytical skills, objectivity, and sound judgment
- express opinions constructively and openly, and raise issues that relate to the Committees' responsibilities
- contribute adequate time to meet their responsibilities
- understand and observe the legal requirements of the PGPA Act, PGPA Rule and Public Governance, Performance and Accountability (Financial Reporting) Rule 2015 (FRR), and any official guidance relevant to performing their functions
- engage with agency management through the Senior Executive Officer, the external auditors, internal audit provider and other stakeholders (subject to confidentiality considerations)
- continuously build, apply and maintain appropriate experience and awareness of ASQA's functions, objectives and operating context.

Members must not use or disclose information obtained by the Committee except in meeting its responsibilities, or unless expressly agreed by the Accountable Authority.

The committee is directly accountable to the Accountable Authority for the performance of its functions.

## 1.4 Membership

Pursuant to section 17 of the Public Governance, Performance and Accountability Rule 2014 (PGPA Rule), the Committee must consist of at least 3 persons who have appropriate qualifications, knowledge, skills or experience to assist the Committee to perform its functions.

Members must be persons who are not officials of the entity, with a majority of those members not being officials of any Commonwealth entity.

The Accountable Authority will appoint members, one of whom will be appointed as Chair of the Committee.

Members will be appointed for an initial period not exceeding 3 years. Members may be reappointed after a formal review of their performance, for a further period not exceeding 2 years, unless agreed to by the Accountable Authority.

In appointing members, consideration will be given to ensuring there is an appropriate balance between continuity of membership, the contribution of fresh perspectives, and a suitable mix of qualifications, knowledge, skills and experience (Skills matrix outlined in Appendix 1).

## 1.5 Senior Adviser and Observers

One (1) ASQA Senior Executive Officer (senior advisor) will be appointed by the Accountable Authority as an adviser to the Committee. This adviser will receive all papers and attend all meetings.

The Accountable Authority has a standing invitation to attend all meetings of the Committee.

Representatives from the Australian National Audit Office (ANAO) and the internal audit partners will be invited to attend all meetings of the Committee, as observers and may contribute to the discussions of the committee (but will not be able to vote).

## 1.6 Invitees

While it is expected that the Executive Director, Corporate and Enabling, Chief Financial Officer, Chief Information Officer and Director, Risk, Assurance & Evaluation will attend a meeting for specific or certain standing agenda items, where special circumstances prevent their attendance, an appropriate staff member can attend in their absence with prior notice provided to the Chair.

At the discretion of the Senior Advisor, other members of ASQA staff may be invited to attend committee meetings or particular matters to present papers and support discussion, with prior notice provided to the Chair

## 1.7 Conflicts of Interest

Members, advisors, observers and invitees with an actual, perceived or potential conflict of interest will notify the Committee as soon as these issues become apparent. It is the responsibility of each individual to minimise and manage any potential conflicts.

At least once each year, members, advisors and observers of the Committee will provide written declarations, through the Secretariat, declaring any perceived, potential or actual conflicts of interest they may have in relation to their responsibilities.

At the beginning of each meeting, all attendees must declare any perceived, potential or actual conflicts of interest that may apply to specific matters or topics on the meeting agenda. The Chair will determine the action required to manage this conflict of interest. This may require the committee member to be excused from the meeting or from the committee's consideration of the relevant agenda item(s).

Where the Chair declares a conflict of interest, the Accountable Authority will determine the action required to manage the conflict of interest. This may require the committee member to be excused from the meeting or from the committee's consideration of the relevant agenda item(s).

Details of conflicts of interests and the actions taken will be appropriately recorded in the minutes.

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Page 3

## 2. Functions

The Accountable Authority has determined that the functions of the committee are to review and give independent advice about the appropriateness of the agency's:

- financial reporting
- performance reporting
- systems of risk oversight and management, and
- systems of internal control for ASQA

To fulfil this function, the committee will review information provided by, and make relevant enquiries of, the agency's management, internal auditors, external auditors and other external parties, during the committee meetings.

The Chair will seek approval from the Accountable Authority on matters it plans to consider in delivering on its purpose and to fulfill its function.

### 2.1 Financial Reporting

The committee will review and/or provide advice on the appropriateness of ASQA's:

- processes and systems for preparing financial information and financial reporting
- annual audited financial statements, related management representations and supplementary reporting pack and whether the statements are suitable for signing by the Accountable Authority.
- any issues which may prevent the signing of the department's financial statements or relate to non-compliance with relevant legislation and guidance.
- accounting policies and practices in light of relevant laws, accounting standards and principles
- any areas of concern or suggestions for improvement

### 2.2 Performance Reporting

The committee will review and provide advice on the appropriateness of the ASQA's:

- approach to developing performance information is appropriate and comply with relevant legislation and guidance.
- performance information included in the Portfolio Budget Statements and corporate Plan is appropriate
- Annual Performance Statements are appropriate and comply with relevant legislation and guidance.
- processes and systems for preparing performance information and performance reporting
- performance framework and practices for developing, measuring and reporting performance indicators and metrics
- any areas of concern or suggestions for improvement

### 2.3 Risk Oversight & Management

The committee will review and provide advice on the appropriateness of ASQA's:

- enterprise risk management policy framework and the internal controls for effective identification and management of ASQA's risks
- Risk Appetite Statement to assess whether it remains current and relevant
- material strategic, financial and operational risk to ASQA have been identified and effectively managed

- approach to managing the agency's key risks, including those associated with individual projects and program implementation and activities
- process for developing and implementing the agency's fraud control arrangements satisfy itself that ASQA has adequate processes and systems in place to detect, capture and effectively respond to fraud risks
- roles and responsibilities relating to risk management are clearly defined and adhered to processes and systems for preparing risk information and risk reporting
- any areas of concern or suggestions for improvement

## 2.4 Internal Control

The committee will review and provide advice on the appropriateness of ASQA's:

- Internal control framework
  - approach to maintaining an effective internal control framework and whether appropriate processes are in place for assessing compliance with key policies and procedures,
  - operational policies and procedures in place including accountable authority instructions, delegations, work health and safety and bullying and harassment policies.
- Legislative and policy compliance
  - internal control environment including any systems and processes designed to achieve compliance with laws, regulations, applicable Commonwealth government policies and other relevant standards
  - compliance with statutory and other legal requirements relating to financial disclosure and regulatory reporting, including those for climate disclosure.
- Security compliance
  - approach to maintaining an effective security system s and process including complying with the Protective Security Policy Framework)
  - controls for the access, security and provision of ICT services, including cyber security controls
- Internal and external audit function
  - audit strategy adopted by internal audit partner and their systems and procedures, including annual review the scope, results and performance of the external and internal auditors.
  - internal audit plan to ensure coverage considers material risks and financial reporting. The Committee will be consulted on and recommend the approval of the audit plan to the Accountable Authority.
  - findings of internal and external audits and management's response to the findings, including that the identified recommendations are being appropriately actioned.
- processes and systems for preparing internal control information and internal control reporting
- approach to embedding a culture that promotes the proper use and management of public resources and is committed to ethical and lawful conduct behaviour
- any areas of concern or suggestions for improvement including major concerns identified in audit reports and recommend action plans including identification and dissemination of information

## 2.5 Other responsibilities

- Provide input on planned ANAO financial statements, annual performance statements and performance audit coverage, as requested.
- Monitor the performance of those responsible for managing risk and compliance matters.

- Perform any other tasks the Accountable Authority determines from time to time.

## 3. Operation of committee

### 3.1 Meetings

The committee will meet four (4) times per year (each quarter). Meetings can be held in person, by telephone or by video conference.

Matters may be dealt with out of session where appropriate and as agreed by the Accountable Authority, to facilitate additional consultation on material matters.

### 3.2 Quorum

A quorum will consist of a majority of committee members, one of whom must be the Chair or member appointed to preside, in place at all times during the meeting.

Members are not mandated to send a proxy to meetings.

### 3.3 Role of the Chair

The Chair must preside over a meeting at which he or she is present. If the Chair is not present at a meeting, the members present must appoint a member to preside.

The Chair acts as an important link between the Accountable Authority and the Committee.

The Chair is responsible for leadership of the Committee including:

- facilitating proper information flow to the Committee and subsequently, the Accountable Authority;
- facilitating the effective functioning of the Committee including managing the conduct, frequency and length of Committee meetings; and
- communicating the views of the Committee to the Accountable Authority.

In performing their role, the Chair's responsibilities also include:

- 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;
- overseeing and facilitating Committee evaluation reviews; and
- liaising with and counselling, as appropriate, Committee members.
- in consultation with the Secretariat:
  - setting the agenda for the matters to be considered by the Committee in line with the workplan;
  - seeking to ensure that the information provided to the Committee is relevant, accurate, timely and sufficient to keep the Committee and the Executive Committee appropriately informed of the performance of ASQA and of any developments that may have a material impact on ASQA or its performance.
  - ensure, post consultation with the Accountable Authority, that any items raised out of session with the Chair that may require the committee's review are appropriately scheduled at a committee meeting or otherwise communicated
  - ensure recommendations and actions arising from meetings are clearly articulated and that accurate and complete minutes are kept, and records maintained (delegated to secretariat)

## 3.4 Secretariat

The Secretariat support function will be provided by the Governance Parliamentary and Communications team. The role of the Secretariat includes the preparation of meeting papers and administrative support. The Secretariat will prepare and maintain a corporate file of the Committee's records. Files must be kept securely and confidentially in accordance with the requirements of the Public Records Act 2002.

Information relating to disclosure of the Audit and Risk Committee and its members will be included in the annual report. The Secretariat will liaise with members where necessary to obtain this information.

## 3.5 Annual Work Plan

The Accountable Authority will approve an annual forward workplan that includes the proposed agenda items for each meeting to ensure coverage of all functions of the committee outlined in this charter.

## 3.6 Agenda

The agenda will be set in line with the Committee workplan, action register and allowing for appropriate consultation to include emerging issues and emphasis on the most significant risks and threats.

A detailed agenda will be developed for each meeting which is based on the annual forward work plan and may include additional items for committee consideration as agreed with the Committee Chair.

- Invitees wishing to place items on the agenda must notify the Secretariat at least fifteen (15) calendar days prior to the scheduled meeting.
- The agenda must be cleared by the Chair prior to distribution to members.
- Agenda and relevant (supporting) papers will be sent out to members and invitees five (5) calendar days prior to the meeting.
- Late agenda items will be tabled at the discretion of the Chair.
- Papers, Submissions and Reports

Papers in respect to agenda items are to be supplied to the Secretariat no later than ten (10) calendar days prior to the scheduled meeting

- Papers must be submitted on the correct cover paper template.
- All papers must be submitted in Word format (as per Committee cover paper template), unless otherwise agreed.
- The numbers and names of electronic attachments must mirror the numbers and names used in the cover paper.
- Papers are quality reviewed by the Secretariat and cleared by the Deputy CEO prior to distribution.

## 3.7 Advice and recommendations

The Committee has no decision-making powers, providing advice and making recommendations for action to the Accountable Authority.

Recommendations will be made by the members at each agenda item based on the content of the Committee paper. While the recommendation will be based on the Committee paper, there may be a requirement to adjust the recommendation to reflect the outcomes post discussion.

## 3.8 Minutes

- Minutes of meetings will be prepared by the Secretariat within three (3) calendar days of the meeting.
- Minutes of the meeting will be the official record of the meeting.

- Minutes (and action items) must be cleared by the Chair within seven (7) calendar days of the meeting, subject to confirmation by the Working group at the next meeting.

### 3.9 Post Meeting

The Chair will report to the Accountable Authority after each meeting. Any matter deemed of sufficient importance will be reported to the Chief Executive immediately.

Following each Audit and Risk Committee meeting, a summary of matters discussed will be provided to the Executive Committee. This will be developed by the Secretariat drawing from the approved minutes and agreed by the Chair of the Committee.

### 3.10 Annual Report

The Committee will provide a written report to the Accountable Authority on its operation and activities during the year. This report will cover the functions of the Committee including the appropriateness of:

- financial reporting,
- performance reporting,
- system of risk oversight and management,
- internal controls and
- other responsibilities

In addition, the report will reference to any specific areas of concern or suggestions for improvement.

### 3.11 Annual Statement

The Committee shall provide a written statement to the Accountable Authority at the end of each financial year, prior to the Accountable Authority signing the financial statements, stating:

- whether the annual financial statements, in the committee's view, comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance
- whether additional agency information (other than financial statements) required by Department of Finance for the purpose of preparing the Australian Government consolidated financial statements (including the supplementary reporting package) comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance, and
- the appropriateness of the agency's financial reporting, with reference to any specific areas of concern or suggestions for improvement.

## 4. Committee's Performance

### 4.1 Review of performance

The Chair, in consultation with the Accountable Authority, will initiate an annual review of the committee. The review will be conducted on a self-assessment basis (unless otherwise determined by the Accountable Authority), with appropriate input sought from the Accountable Authority, Committee Members, Senior Advisors and Observers, and any other relevant stakeholders, as determined by the Accountable Authority.

## 4.2 Review

At least once a year the Committee will review the Charter. Any changes to the Audit and Risk Committee Charter will be recommended by the Committee and considered by the Accountable Authority.

The Charter will be updated as required, to reflect any changes in ASQA's operating environment.

A review of the Charter may also be initiated at any time by the Accountable Authority.

# Appendix 1

## Skills and Experience

Consistent with subsection 17(3) of the PGPA Rule the members of the Audit and Risk Committee, taken collectively, will have a broad range of knowledge, skills and experience relevant to the operations of the Agency, including its information technology environment. All members should be conversant with financial management reporting and at least one member of the Audit and Risk Committee should have accounting or related financial management experience and/or qualifications, and a comprehensive understanding of accounting and auditing standards.

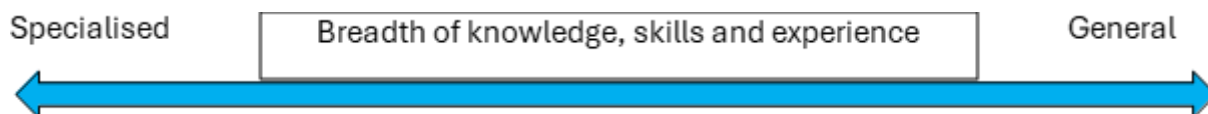
The accountable authority will ensure members, both individually and as a group, have the appropriate qualifications, knowledge, skills and experience to meet their responsibilities and to ensure the committee members are sourced broadly, with greater representation from other industries, sectors and locations.

Membership will consider the government's diversity targets and ASQA's diversity strategy.

Taken collectively, audit committee members need to possess relevant technical skills, appropriate policy and subject matter knowledge, and a strong understanding of the entity's operating context.

The appropriateness of the skills and experience of the committee members will be assessed on an annual basis, or as otherwise required, by the Accountable Authority. A matrix of the breadth of knowledge, skills and experience required for the collective committee members can be found below.

### Audit committee skills matrix



Audit Committee review of:	Audit Committee collective knowledge	Each member to be familiar with	General desirable skills for each member
Financial reporting	<ul style="list-style-type: none"> <li>Accounting and auditing standards</li> <li>Accounting and financial management</li> </ul>	<ul style="list-style-type: none"> <li>The entity's operating context</li> <li>PGPA Act and Rules</li> <li>Commonwealth performance framework</li> <li>Relevant legislative and policy requirements</li> <li>Roles of external and internal audit</li> <li>The entity's Portfolio Budget Statement and government outcomes</li> <li>Information management and security</li> </ul>	<ul style="list-style-type: none"> <li>Business or industry in which the entity operates</li> <li>Strategic thinking and awareness of government priorities</li> <li>Ability to question, enquire and investigate information</li> <li>Completion of relevant recognised qualification</li> <li>Research and data interrogation</li> <li>Audit process management</li> <li>Program and project management</li> <li>Strong leadership and stakeholder management</li> </ul>
Performance reporting	<ul style="list-style-type: none"> <li>Sound understanding of the entity's purpose, and its business and services</li> <li>Sound understanding of the entity's operating environment and business operations</li> <li>Sound understanding of the Commonwealth performance framework and expectations for the performance reporting to inform the public and the Parliament</li> </ul>		
System of risk oversight and management	<ul style="list-style-type: none"> <li>Commonwealth Risk Management Policy</li> <li>Risk identification, evaluation and management in complex organisations</li> <li>Public/private sector risk management experience</li> <li>Good understanding of public sector emerging risks and opportunities</li> </ul>		

Audit Committee review of:	Audit Committee collective knowledge	Each member to be familiar with	General desirable skills for each member
System of internal control	<ul style="list-style-type: none"> <li>• Accountability and internal control resource management guidance</li> <li>• Operations of government and the public sector</li> <li>• Understanding of processes, practices and record keeping in complex organisations</li> <li>• Understanding of compliance and internal control principles revision</li> <li>• Understanding of the key elements of control effectiveness and methodologies of assessment</li> <li>• Understanding of requirements of information and communication technology</li> </ul>		

**Source:** Department of Finance, *A guide for on-corporate Commonwealth entities on the role of audit committees*, accessed from [A guide for NCEs on the role of audit committees 0.pdf \(finance.gov.au\)](#) on 13 May 2021.

## Review and document control

Version number	Operative date	Summary of changes from last version	Approved by
8	14 May 2025	Annual review of Charter with updates and refreshed in alignment with Governance Operating Model.	Accountable Authority
7	11 July 2022	Annual review of Charter conducted in June 2022. Minor updates, including renaming Audit Committee to Audit and Risk Committee  Annual review in May 2023. No changes identified.  Annual review in April 2024. No changes identified.	Accountable Authority
6	14 June 2021	Annual review of Charter conducted in March 2021. Significant updates were identified to refresh the Charter and the operation of the Audit Committee within ASQA, which also aligned with ASQA's strategic objectives and regulatory reform agenda.	Accountable Authority
5	12 March 2020	Annual review of Charter. Updates to functions based on latest Model Charter issued by Department of Finance	Accountable Authority
4	19 March 2019	Restructure of charter to align with model charter issued by Department of Finance	Accountable Authority
3.1	9 March 2017	Changes to membership composition	Accountable Authority
3	16 December 2015	Changes to membership composition	Accountable Authority
2	1 June 2015	Changes to legislative references Changes to membership composition	Accountable Authority
1.1	9 February 2012	Initial	Accountable Authority

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