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Australian Government
Sport Integrity Australia



SPORT INTEGRITY
AUSTRALIA

Charter

Audit and Risk Committee

Owner: Stewart Priddis, Director Governance and Risk

Endorsed by: Luke McCann, A/g Chief Executive Officer

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The Chief Executive Officer (CEO) of Sport Integrity Australia has established the Audit and Risk Committee in accordance with Section 45 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. Functions

Consistent with subsection 17(2) of the PGPA Rule, the functions of the Audit and Risk Committee include reviewing the appropriateness¹ of the CEO's financial reporting; performance reporting; system of risk oversight and management; and the system of internal control.

1.1 Financial Reporting

The Audit and Risk Committee will review and provide written advice to the CEO on the appropriateness of:

- a) the annual financial statements and their compliance with the PGPA Act, the PGPA Rule, the Accounting Standards and supporting guidance and recommend the signing of the financial statements by the CEO
- b) Sport Integrity Australia's consolidated financial statements supplementary reporting pack
- c) Sport Integrity Australia's financial reporting as a whole, with reference to any specific areas of concern or suggestions for improvement.

1.2 Performance Reporting

The Audit and Risk Committee will review and provide written advice to the CEO on the appropriateness of:

- a) performance information included in the Portfolio Budget Statements and the Corporate Plan
- b) the framework for developing and reporting performance information
- c) the annual performance statement
- d) Sport Integrity Australia's performance reporting as a whole, with reference to any specific areas of concern or suggestions for improvement.

1.3 System of risk oversight and management

The Audit and Risk Committee will review and provide written advice to the CEO on the appropriateness of:

- a) Sport Integrity Australia's enterprise risk management framework and associated internal controls for the effective identification and management of its risks consistent with the Commonwealth Risk Management Policy
- b) the approach to managing Sport Integrity Australia's key risks, including those associated with projects, program implementation and activities

¹ For the purposes of the PGPA Act, PGPA Rule and this Charter, and consistent with rules of statutory interpretation, 'appropriateness' has its ordinary meaning of 'suitable or fitting for a particular purpose'.

- c) Sport Integrity Australia's fraud control arrangements to detect, capture and effectively respond to fraud risks consistent with the Commonwealth Fraud Control Framework
- d) Sport Integrity Australia's system of risk oversight and management as a whole, with reference to the Commonwealth Risk Management Policy and Commonwealth Fraud Control Framework, referring to any specific areas of concern or suggestions for improvement.

1.4 System of internal control

The Audit and Risk Committee will review and provide written advice to the CEO on the appropriateness of Sport Integrity Australia's system of internal control by reviewing the following items and advising of any specific areas of concern or suggestions for improvement:

- a) **internal control framework:**
 - i. whether relevant policies and procedures are in place, including Accountable Authority Instructions, delegations, bullying or harassment policies
 - ii. whether there are appropriate processes to assess whether key policies and procedures are complied with
- b) **legislative compliance:** the systems for monitoring Sport Integrity Australia's compliance with laws, regulations and associated government policies
- c) **business continuity arrangements:** whether business continuity and disaster recovery plans are in place and have been periodically updated and tested
- d) **security compliance:** the approach to maintaining an effective security system through review of the Protective Security Policy Framework maturity assessment and ICT security policy
- e) **internal audit arrangements including:**
 - i. whether internal audit coverage takes into account key risks
 - ii. Internal Audit Work Plan: reviewing and recommending approval by the CEO
 - iii. internal audit reports: reviewing and providing advice to the CEO on major concerns identified
 - iv. internal audit recommendations: monitoring the implementation of agreed actions
 - v. internal audit charter: periodically reviewing that it includes appropriate authority, access and reporting arrangements
 - vi. internal audit service providers: periodically meet privately with the internal auditors
- f) **ethical and lawful conduct:** the steps taken to embed a culture promoting the proper use and management of public resources and the commitment to ethical and lawful conduct
- g) **parliamentary committee reports and external reviews:** the mechanisms for reviewing relevant parliamentary committee reports, external reviews and evaluations of Sport Integrity Australia and reviewing the implementation of any resultant recommendations.

2. Membership

Composition of the Audit and Risk Committee is informed by the following:

- a) The Audit and Risk Committee must consist of at least three members appointed by the CEO
- b) All the members of the Audit and Risk Committee must be persons who are not officials of Sport Integrity Australia
- c) A majority of the members must be persons who are not officials of any Commonwealth entity
- d) The CEO will appoint one of the members as the Chair of the Audit and Risk Committee
- e) Members will be appointed for an initial period determined by the CEO. Members may be re-appointed after a formal review of their performance for further periods as specified by the CEO
- f) Members will engage with management in a constructive and professional manner.

Members of the Audit and Risk Committee are expected to understand and observe the requirements of the PGPA legislation and are also expected to:

- a) act in the best interests of Sport Integrity Australia
- b) apply good analytical skills, objectivity and good judgement
- c) express opinions constructively and raise issues relating to the Audit and Risk Committee's responsibilities and pursue independent lines of enquiry
- d) contribute the time required to meet their responsibilities.

The Deputy CEO Corporate, the Chief Audit Executive and the Chief Financial Officer are not Members but are permanent senior Advisers to the Audit and Risk Committee and will attend all meetings.

Other management representatives may attend meetings as advisers or observers, as determined by the Chair, but will not be members of the Audit and Risk Committee.

Representatives from the ANAO and external providers of internal audit services will not be members of the Audit and Risk Committee; however, they may attend relevant Audit and Risk Committee meetings (in whole or in part) as determined by the Chair.

3. Independence

The Audit and Risk Committee is directly accountable to the CEO for the performance of its functions.

The Audit and Risk Committee has no managerial responsibilities. It does not make decisions in relation to Sport Integrity Australia's processes and functions. The Audit and Risk Committee's role is to provide independent advice to the CEO.

4. Conflicts of Interest

At the beginning of each Audit and Risk Committee meeting members, advisers and observers will declare any conflicts of interest or the appearance of a conflict of interest. The remaining members will decide whether the member should be excused from the meeting or from the Audit and Risk Committee's consideration of the relevant agenda item(s). Any interests declared will be recorded in the minutes.

The Audit and Risk Committee members will provide annual written declarations of any potential or actual conflicts of interest they may have in relation to their responsibilities as members of the Audit and Risk Committee. Members should consider past employment, consultancy arrangements and related party issues when making these declarations and the Chair should be satisfied there are sufficient processes in place to manage any real or perceived conflict of interest.

5. Authority

The CEO authorises the Audit and Risk Committee, in performing its functions, to:

- a) seek any information it requires from any Sport Integrity Australia official or external party
- b) request legal or other professional advice, subject to approval by the appropriate delegate
- c) require the attendance of any Sport Integrity Australia official at meetings, as appropriate
- d) the CEO directs officials of Sport Integrity Australia to cooperate with the Audit and Risk Committee.

6. Administrative Arrangements

6.1 Meetings

The Audit and Risk Committee will meet at least 4 times per year. Special meetings may be held to review Sport Integrity Australia's annual financial statements and annual performance statement or to meet other specific responsibilities of the Audit and Risk Committee.

The Chair will call a meeting if requested to do so by the CEO and may call a meeting if requested by another Audit and Risk Committee member.

A quorum for any Audit and Risk Committee meeting will be the majority of the members.

6.2 Secretariat

The CEO, in consultation with the Audit and Risk Committee, will appoint a person to provide secretariat services to the Audit and Risk Committee. The Secretariat will ensure the Chair approves the agenda for each meeting; the agenda and supporting papers are circulated at least five business days before each meeting; and the minutes of each meeting are prepared and maintained. Minutes must be reviewed by the Chair and circulated in a timely manner to each member prior to being included in the papers for the next meeting.

6.3 Reporting

The Chair will report regularly to the CEO. Any matter deemed of sufficient importance will be reported to the CEO immediately.

The Audit and Risk Committee will, as often as necessary, and at least once a year, report in writing to the CEO on its operation and activities against the responsibilities outlined in this Charter.

6.4 Annual Work Plan

The Audit and Risk Committee will develop an annual work plan detailing actions to be taken in order to perform the functions outlined in this Charter and the provision of advice to the CEO.

6.5 Review of Audit and Risk Committee performance

The Chair of the Audit and Risk Committee will initiate a review of the performance of the Audit and Risk Committee at least once every 2 years. The outcomes of this assessment will be reported to the CEO.

6.6 Review of Charter

The Audit and Risk Committee will review the appropriateness of this Charter at least annually and recommend it to the CEO for approval.



Luke McCann
A/g Chief Executive Officer
Sport Integrity Australia

23 August 2023