Australian Government
Great Barrier Reef Marine Park Authority

Reef Authority

AUDIT AND RISK MANAGEMENT COMMITTEE

CHARTER OF OPERATIONS

Agreed by the Audit Committee at 108, 04/09/2025
Approved by the Accountable Authority of the Great Barrier Reef Marine Park Authority, 01/11/2025
Next review date: 01/11/2028

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Published by the Great Barrier Reef Marine Park Authority

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A catalogue record for this publication is available from the National Library of Australia

This publication should be cited as:
Great Barrier Reef Marine Park Authority 2025, *Audit and Risk Management Committee Charter of Operation*, Great Barrier Reef Authority, Townsville.

Comments and questions regarding this document are welcome and should be addressed to:

Great Barrier Reef Marine Park Authority
235 Stanley Street
(PO Box 1379)
Townsville QLD 4810, Australia

Phone: (07) 4750 0700
Email: info@gbrmpa.gov.au
www.gbrmpa.gov.au

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Contents

Establishment of the Audit and Risk Management Committee 4
Summary of Functions 4
Authority 4
Membership 5
Functions 6
Financial reporting 6
Performance reporting 6
System of risk oversight and management 7
System of internal control 7
Internal control framework 7
Legislative and policy compliance 7
Security compliance 8
Internal audit 8
External audit 8
Additional functions 8
Business continuity management 8
Ethical and lawful behaviour 8
Administrative arrangements 8
Meetings 8
Quorum 9
Secretariat 9
Annual Work Plan 9
Reporting 9
Annual Reporting Requirements 9
Conflicts of Interest 10
Disclosure of Information 10
Sub-committees 10
Induction 10
Review of the Charter of operation 11
Assessment arrangements 11
Approved 11

Establishment of the Audit and Risk Management Committee

1. The Accountable Authority of the Great Barrier Reef Marine Park Authority (the Reef Authority) establishes an Audit and Risk Management Committee (Committee) in compliance 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).

Summary of Functions

2. The primary function of the Committee is to provide independent advice and assistance to the Accountable Authority in respect of the appropriateness of the Reef Authority's:
   a) financial reporting,
   b) performance reporting,
   c) system of risk oversight and management, and
   d) system of internal control.

3. The Committee is not responsible for the executive management of any of the functions listed at paragraphs 2 above.

4. At formal meetings and in other communication, the Committee will engage with officials in a constructive and professional manner in discharging its advisory responsibilities and formulating its advice to the Accountable Authority.

Authority

5. The Accountable Authority authorises the Committee, in accordance with its functions and responsibilities, to:
   a) seek any information it requires from any official or external party (subject to any legal obligation to protect information),
   b) discuss any matters with the Australian National Audit Office (ANAO), or other external parties (subject to confidentiality considerations),
   c) request the attendance of any official, including the Accountable Authority, at Committee meetings, and
   d) obtain legal or other professional advice, as considered necessary to fulfil its functions, at the Reef Authority's expense to a pre-approved limit of $5000 in accordance with the Reef Authority's procurement processes and whole-of-government directions and after that, subject to separate written approval by the Accountable Authority, or his or her delegate.

Membership

6. The Committee comprises at least three and not more than five members, appointed by the Accountable Authority[1], including one member to be the Chair of the Committee.

7. The Committee is authorised to appoint an acting Chair from the Committee's membership in the event the Chair is absent.

8. In appointing members to the Committee, the Accountable Authority will have regard to the appropriateness of their qualifications, knowledge, skills, or experience to assist the Committee to perform its functions in the context of the agency. At least one member of the Committee will have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.

9. All Committee members must be persons who are not officials of the Reef Authority, and a majority of the members must be persons who are not officials of any Commonwealth entity. The Chair will be a person who is not an official of any Commonwealth entity.

10. Committee members will be appointed for an initial period of no more than three years, as determined by the Accountable Authority. Members may be re-appointed after a formal review of their performance, for further periods as specified by the Accountable Authority. The membership of the Committee will be reviewed periodically by the Accountable Authority to support an appropriate balance between the continuity of membership, the contribution of fresh perspectives and suitable mix of qualifications, knowledge, skills, and experience.

11. Members of the Committee must operate in the best interests of the Reef Authority and understand and observe the legal requirements of the *PGPA Act* and *PGPA Rule* and any official guidance relevant to performing their functions.

12. A member may resign at any time by giving written notice to the Accountable Authority. The resignation will take effect when the notice is received by the Accountable Authority, or later if stated in the notice.

13. The Accountable Authority may attend meetings as an observer and not be a member, noting the Committee may, for some discussions, wish to meet *in camera.*

14. Representative(s) of the ANAO, internal and external audit may be invited to attend meetings of the Committee, or parts thereof, as advisers or observers, but will not be members of the Committee.

[1] Having regard to the requirements under the PGPA Act, PGPA Rule, and guidance from the Department of Finance.

Functions

15. The functions of the Committee include:

Financial reporting

16. The Committee will review and provide advice on the appropriateness of the Accountable Authority's:
    a) annual financial statements,
    b) information (other than annual financial statements) requested by Finance in preparing the Australian Government's consolidated financial statements, including the supplementary reporting package,
    c) processes and systems for preparing financial reporting information,
    d) financial record keeping, and
    e) processes in place to allow the entity to stay informed throughout the year of any changes or additional requirements in relation to the financial reporting.

17. The Committee will provide a statement to the Accountable Authority:
    a) whether the annual financial statements, in the Committee's view, comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance,
    b) whether additional Reef Authority information (other than financial statements) required by 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
    c) in respect of the appropriateness of the Reef Authority's financial reporting, with reference to any specific areas of concern or suggestions for improvement.

Performance reporting

18. The Committee will review and provide advice on the appropriateness of the Accountable Authority's systems and procedures for assessing, monitoring, and reporting on the achievement of the Reef Authority's performance.

19. In particular, the Committee should satisfy itself that:
    a) the Reef Authority's Portfolio Budget Statements and corporate plan contain appropriate details of how the Reef Authority's performance will be measured and assessed,
    b) the Reef Authority'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, and
    c) the Reef Authority has appropriate systems and processes for preparation of its annual performance statement and inclusion of the statement in its annual report.

20. The Committee review the annual performance statements and provide advice to the Accountable Authority on their appropriateness to the Reef Authority.

21. The Committee provide a statement to the Accountable Authority whether, in their view, the Accountable Authority's annual performance statements and performance reporting is appropriate, with reference to any specific areas of concern or suggestions for improvement.

System of risk oversight and management

22. The Committee will review and provide advice to the Accountable Authority on the appropriateness of the Reef Authority's:
    a) enterprise risk management policy framework and the necessary internal controls for the effective identification and management of the Reef Authority's risks, in keeping with the Commonwealth Risk Management Policy, including systems for reporting on risk,
    b) approach to managing the Reef Authority's key risks including those associated with individual projects and program implementation and activities,
    c) process for developing and implementing the Reef Authority's fraud and corruption control arrangements consistent with the fraud and corruption control framework and satisfy itself that the Reef Authority has adequate processes for detecting, capturing, and effectively responding to fraud and corruption risks in accordance with section 10 of the PGPA Rule, and
    d) articulation of key roles and responsibilities relating to risk management and adherence to them by officials of the Reef Authority.

23. The Committee will provide a statement to the Accountable Authority whether, in their view, the Accountable Authority'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.

System of internal control

24. The Committee will review and provide a statement to the Accountable Authority as to whether the following system of internal control is appropriate for the Reef Authority, with reference to any specific areas of concern or suggestions for improvement:

Internal control framework

25. The Committee will review management'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.

26. The Committee will review whether management has in place relevant policies and procedures — including Accountable Authority Instructions or equivalent, and delegations and authorisations — and that these are periodically reviewed and updated.

Legislative and policy compliance

27. The Committee will review the effectiveness of systems for monitoring the Reef Authority's compliance with laws, regulations, and associated government policies with which the Reef Authority must comply.

28. The Committee will determine whether management has adequately considered legal and compliance risks as part of the Reef Authority's enterprise risk management framework, fraud and corruption control framework and planning.

Security compliance

29. The Committee will review management's approach to maintaining an effective internal security system (including complying with the Protective Security Policy Framework).

Internal audit

30. The Committee will review the proposed internal audit coverage, ensure the coverage considers the Reef Authority's key risks, and recommend approval of the Internal Audit Plan by the Accountable Authority or delegate. Review all internal audit reports, provide advice to the Accountable Authority on major concerns identified in those reports, and recommend action on significant issues raised including identification and dissemination of information on good practice.

31. The Committee will monitor management's implementation of internal audit recommendations.

External audit

32. The Committee will engage with the ANAO, as the Reef Authority's external auditor in relation to the ANAO financial statement and performance audit coverage, In particular the Committee will:

    a) review Reef Authority specific performance audit reports and management's response and implementation of audit recommendations,
    b) provide advice on any ANAO Financial Statement findings, and
    c) provide advice to the Accountable Authority on action to be taken on significant issues raised in relevant ANAO reports or better practice guides.

Additional functions

Business continuity management

33. The Committee should assess the adequacy of the Reef Authority's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

Ethical and lawful behaviour

34. The Committee should assess whether management has taken steps to embed a culture that promotes the proper use of Commonwealth resources and is committed to ethical and lawful behaviour.

Administrative arrangements

Meetings

35. The Committee will meet at least four times per year, either in-person, by telephone or virtually. One or more special meetings may be held to review the Reef Authority's annual financial statements and performance statements, or to meet other specific responsibilities of the Committee.

36. The Chair is required to call an out-of-session meeting if asked to do so by the Accountable Authority and decide if a meeting is required if requested by a member, internal audit or the ANAO.

Quorum

37. A quorum will consist of a majority of Committee members. The quorum must be always in place during the meeting.

Secretariat

38. The Accountable Authority or relevant delegate will appoint a person to provide secretariat support to the Committee.

39. The Secretariat will:

    a) ensure the agenda for each meeting is approved by the Chair,

    b) circulate the agenda and supporting papers to members and other meeting attendees, as appropriate, at least seven calendar days before the meeting,

    c) ensure the minutes of meetings are prepared and maintained. Aim to provide draft minutes to the Chair within seven calendar days after the meeting and help ensure the minutes are circulated in a timely manner to each member, and to Committee advisers and observers, as appropriate, and

    d) maintain records of all meeting papers, minutes and actions arising register, of the Committee's key functional and administrative arrangements (remuneration, reappointment, conflict of interest declarations, etc.), reviews of the Committee and its Charter and any other material relevant to the conduct of the Committee or its meetings and other records in the Reef Authority's record management system.

Annual Work Plan

40. The Committee will contribute to and approve an annual work plan and meeting schedule that includes the dates, location, and proposed agenda items for each meeting for the forthcoming year at the last meeting of each calendar year and covers all the functions outlined in this Charter.

Reporting

41. The Committee will report annually to the Accountable Authority on its operation and activities during the year and confirm to the Accountable Authority that all functions outlined in this Charter have been addressed satisfactorily.

42. The Committee may, at any time, report to the Accountable Authority any other matter (within the scope of the Committee or a member's expertise) it deems of sufficient importance. In addition, at any time, an individual Committee member may request a meeting with the Accountable Authority.

Annual Reporting Requirements

43. In accordance with Section 17AG, clause 2a of the PGPA Rule the Reef Authority will publish in the Annual Report information as required, including a link to the Charter of Operations, and the names, qualifications, attendance and renumeration of Committee members.

Conflicts of Interest

44. The Reef Authority's Accountable Authority Instructions and the Conflict-of-Interest policy sets out responsibilities for identifying, reporting, and managing conflicts of interest.

45. Once each year, members of the Committee will provide written declarations, through the Chair, to the Accountable Authority, declaring any material personal interests they may have in relation to their responsibilities. The Accountable Authority, in consultation with the Chair, should be satisfied that there are sufficient processes in place to manage any real or perceived conflict.

46. Members with an actual or perceived conflict of interest will notify the Committee as soon as these issues become apparent. Conflicts of interest will be managed as agreed by the Chair. If the Chair has an actual, perceived, or potential conflict it will be managed with the Accountable Authority, or in the Accountable Authority's absence the Deputy Chair.

47. At the beginning of each Committee meeting, members are required to declare any material personal interests that may apply to specific matters on the meeting agenda. Where required by the Chair, the member will be excused from the meeting or from the Committee's consideration of the relevant agenda item(s). The Chair is also responsible for deciding, in consultation with the Accountable Authority, where appropriate, if he or she should excuse themselves from the meeting or from the Committee's consideration of the relevant agenda item(s). Details of material personal interests declared by the Chair and other members, and actions taken, will be appropriately recorded in the minutes.

Disclosure of Information

48. Committee members must not use or disclose information obtained by the Committee except in fulfilling the Committee's functions, or unless expressly agreed by the Accountable Authority.

Sub-committees

49. The Committee may establish one or more sub-committee(s) to assist the full Committee in meeting its responsibilities, in consultation with the Accountable Authority.

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

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

Induction

52. The Secretariat will provide new members relevant information and briefings on their appointment to assist them to meet their committee responsibilities.

Review of the Charter of operation

53. This Charter has been prepared with reference to *Resource Management Guide 202: A guide for non-corporate Commonwealth entities on the role of audit committees (September 2021)*, and the *Model Charter for Audit Committee* (as available on the Department of Finance finance.gov.au website in September 2022).

54. At least once every three years, the Committee will review this Charter. Any substantive changes to this Charter will be recommended by the Committee and formally approved by the Accountable Authority. A review can be conducted at any time where the Chair and/or Accountable Authority deems it appropriate.

Assessment arrangements

55. The Chair of the Committee, in consultation with the Accountable Authority, will undertake a review of the performance of the Committee at least once every two years. The review will be conducted on a self-assessment basis will seek input from Committee members, advisors and observers, senior management, and any other relevant stakeholders.

56. The Chair will provide advice to the Accountable Authority on a member's performance, where an extension of the member's tenure is being considered.

Approved

57. This Audit and Risk Management Committee Charter of Operation was approved by the Accountable Authority of the Great Barrier Reef Marine Park Authority on TBC .

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