



BOARD AUDIT AND RISK COMMITTEE CHARTER

1. The Board has established an Audit and Risk Committee (the Committee) in compliance with subsection 45(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). As required by subsection 45(2) of the PGPA Act the Committee has been constituted and performs functions in accordance with the requirements prescribed by the associated Public Governance, Performance and Accountability Rule 2014 (PGPA Rule).
2. Under the PGPA Rule the accountable authority of a Commonwealth entity must determine the functions of the entity's Committee by written charter (subsection 17(1)).

PURPOSE

3. The Committee is a sub-committee of the Board of the Australian Maritime Safety Authority (AMSA or Authority) established to assist the Board discharge its responsibilities under the *Australian Maritime Safety Authority Act 1990* and the PGPA legislation. In compliance with subsection 17(2) of the PGPA Rule, the functions of the Committee include reviewing the appropriateness¹ of AMSA's financial reporting, performance reporting, system of risk oversight and management, and the system of internal control.
4. The Committee is not responsible for the executive management of these functions. The Committee will engage with management in a constructive and professional manner in discharging its responsibilities and formulating its advice to the Board.

AUTHORITY

5. The Board authorises the Committee, in performing its functions, to:
 - obtain any information it requires from any official or external party (subject to any legal obligation to protect information)
 - discuss any matters with the Australian National Audit Office (ANAO), or other external parties (subject to confidentiality considerations)
 - request the attendance of any official, including members of the Board, at Committee meetings
 - obtain legal or other professional advice at the Authority's expense, as considered necessary to meet its responsibilities.

MEMBERSHIP

6. The Committee will comprise at least three members, appointed by the Board, who are not employees of the Authority². Consistent with section 17(4) of the PGPA Rule a majority of the members must be persons who are not officials of any Commonwealth entity.
7. The Board will appoint the Chair of the Committee who shall not be the Chair of the Board.

¹ Department of Finance Resource Management Guide 202 *A Guide for Corporate Commonwealth entities on the role of audit committees* advises that 'appropriateness; has its ordinary meaning of 'suitable or fitting for a particular purpose'.

² PGPA Rule Section 17(3) and (4AA). Department of Finance Resource Management Guide 202 *A Guide for Corporate Commonwealth entities on the role of audit committees* advises that 'Non-executive board members are not considered employees of the entity'.

8. The Chair of the Board, Chief Executive Officer and employees of AMSA may attend meetings as advisers or observers, as determined by the Chair, but must not be members of the Committee.
9. The Chair of the Board and other Board members may attend Committee meetings, and when they elect to do so will be provided with copies of Committee papers.
10. A representative(s) of ANAO will be invited to attend meetings of the Committee, as an observer.
11. A representative(s) of the internal audit service provider will be invited to attend meetings of the Committee as an adviser.
12. Membership of the Committee will be reviewed periodically (at least every three years) by the Board with the aim of ensuring an appropriate balance between continuity of membership, the contribution of fresh perspectives and a suitable mix of qualifications, knowledge, skills and experience.
13. The Committee members will keep abreast of contemporary developments and leading practices in relation to the Committee's responsibilities and functions.

SUB-COMMITTEES

14. The Committee may establish sub-committees to support the performance of its functions. The establishment of such sub-committees does not change the Committee's responsibilities under this Charter.
15. The responsibilities, membership and reporting arrangements for each sub-committee shall be documented and approved by the Committee.

INDEPENDENCE

16. The Committee is directly accountable to the Board for the performance of its functions.
17. The Committee has no managerial responsibilities. It does not make decisions in relation to AMSA's processes and functions. The Committee's role is to provide independent advice to the Board.

FUNCTIONS

Financial reporting

18. The Committee will review and provide written advice to the Board 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 Board
 - (b) AMSA's consolidated financial statements supplementary reporting pack
 - (c) AMSA's financial reporting as a whole, with reference to any specific areas of concern or suggestions for improvement.

Performance reporting

19. The Committee will review and provide written advice to the Board on the appropriateness of:
- (a) performance information to be included in AMSA's Portfolio Budget Statements and Corporate Plan
 - (b) AMSA's approach to measuring its performance throughout the financial year against its performance measures included in the Portfolio Budget Statements and the Corporate Plan
 - (c) AMSA systems and processes for developing and reporting performance information and the development of the annual performance statements
 - (d) AMSA's annual performance statements
 - (e) AMSA's performance reporting as a whole, with reference to any specific areas of concern or suggestions for improvement.

System of risk oversight and management

20. The Committee will review and provide written advice to the Board on the appropriateness of:
- (a) AMSA's enterprise risk management framework and associated internal controls for effective identification and management of its risks consistent with the Commonwealth Risk Management Policy
 - (b) the approach to managing AMSA's major risks, including those associated with individual projects, program implementation, and activities
 - (c) AMSA's fraud control arrangements to detect, control and effectively respond to fraud risks consistent with the Commonwealth Fraud and Corruption Control Framework, including reviewing the appropriateness of the Fraud and Corruption Control Plan for its approval by the Board
 - (d) reports on fraud from management that outline any significant or systemic allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in AMSA
 - (e) AMSA's system of risk oversight and management as a whole, with reference to the Commonwealth Risk Management Policy and Commonwealth Fraud and Corruption Control Framework, referring to any specific areas of concern or suggestions for improvement.

System of internal control

21. The Committee will review and provide written advice to the Board on the appropriateness of AMSA's system of internal control by reference to the following items and advising of any specific areas of concern or suggestions for improvement:
- (a) **Internal control framework:**
 - review whether there are appropriate processes in place to assess whether key policies and procedures are complied with
 - review whether relevant key policies and procedures are in place, including Accountable Authority Instructions, delegations, and bullying and harassment policies
 - (b) **legislative compliance:**
 - review AMSA's approach to compliance with key legislation including PGPA legislation and other elements of Finance Law, the *Australian Maritime Safety Authority Act 1990 (AMSA Act)*, *Public Service Act 1999*, *Work Health and Safety Act 2011* and the *Privacy Act 1998*
 - (c) **security compliance:**
 - review management's approach to maintaining an effective security system through reference to the Protective Security Policy Framework Compliance assessments and reports from the Chief Information Security Officer on the agency's cyber security risks and the cyber security strategy and uplift plan.
 - (d) **business continuity arrangements:**
 - review whether a sound and effective approach has been followed in establishing AMSA's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested
 - (e) **ethical and lawful conduct:**
 - review how management has embedded a culture that promotes the proper use and management of public resources and is committed to ethical and lawful conduct
 - (f) **parliamentary committee reports and external reviews:**
 - review the approach for reviewing relevant parliamentary committee reports, external reviews and evaluations of AMSA and reviewing the implementation of any recommendations agreed by Management.
 - (g) **procurement and contract management:**
 - review AMSA's procurement framework including procurement risks and internal procurement controls
 - review of major procurements and key contracts due for extension or replacement and the plans for extension or replacement taking into account the Commonwealth Procurement Rules.

Internal audit

22. The Committee will:
- (a) review the proposed internal audit coverage and ensure the coverage takes into account AMSA's key risks; and recommend that the Board approve the Strategic Internal Audit Plan, and annual internal audit programs
 - (b) review all audit reports by outsourced internal audit service providers, noting the major issues identified during the audit and the actions management has agreed to take to address the issues. Provide advice to the Board on significant issues raised
 - (c) monitor management's implementation of recommendations in audit reports by the outsourced internal audit service providers.
23. The Committee will:
- (a) review the Internal Audit Charter to ensure appropriate authority, access and reporting arrangements are in place and recommend to the Board for approval
 - (b) assess the performance of the internal audit provider
 - (c) meet privately with the internal audit service provider at least once per year
 - (d) in consultation with management, review the appointment of the internal audit service provider and recommend to the Board for its approval.

Engagement with the Australian National Audit Office

24. The Committee will engage with the ANAO. In particular, the Committee will:
- (a) review ANAO performance audits specific to the Authority and relevant cross-agency performance audits and monitor the implementation of audit recommendations and provide advice to the Board on significant issues raised
 - (b) review management's responses to all ANAO financial statement audit Closing Letters and monitor the implementation of audit recommendations
 - (c) satisfy itself that the appropriate mechanisms are in place to review and implement, where appropriate, issues raised in relevant ANAO performance audits of other Commonwealth agencies
 - (d) meet privately with the ANAO at least once per year.

Other functions

25. The Committee will:
- (a) undertake other activities related to its responsibilities as requested by the Board
 - (b) initiate and oversee special investigations as considered necessary.

AUTHORITY OF THE COMMITTEE

26. All decisions of the Committee shall be referred to the Board for approval. Approval will be sought for the:
- (a) Strategic Internal Audit Plan, and Annual Internal Audit Programs
 - (b) Internal Audit Charter
 - (c) Risk Management Policy, Risk Appetite Statement and Risk Management Framework
 - (d) Fraud and Corruption Control Plan
 - (e) Board Audit and Risk Committee Charter
 - (f) appointment, replacement or dismissal of the internal audit service provider.

ADMINISTRATIVE ARRANGEMENTS

Meetings

27. The Committee will meet at least four times per year. One or more special meetings may be held to review AMSA's annual financial statements or annual performance statements or to meet other responsibilities of the Committee.
28. All Committee members are expected to attend each meeting, in person or via suitable conference methods e.g. Microsoft Teams.
29. The Chair is required to call a meeting if asked to do so by the Board. The Chair should consider requests made by another member, the internal audit service provider or the ANAO for an additional meeting and decide on the merits of the request.

Planning

30. The Committee will develop a forward meeting program that includes the dates, location, and proposed agenda items for each meeting for the forthcoming year, and that covers all the responsibilities outlined in this Charter.

Reporting

31. The Chair will report to the Board after each meeting. Any matter deemed of sufficient importance will be reported to the Chair of the Board immediately.
32. The Committee will, as often as necessary, and at least once a year, report to the Board on its operation and activities against the responsibilities outlined in this Charter.

Quorum

33. A quorum will consist of a majority of Committee members. The quorum must be in attendance at all times during the meeting.

Secretariat

34. Secretariat arrangements will be the same as for the Board.
35. The secretariat will ensure that:
 - (a) the agenda for each meeting is approved by the Chair
 - (b) the agenda and supporting papers are circulated at least one week before the meeting
 - (c) the Minutes of the meetings are prepared and maintained
 - (d) the Minutes are forwarded in a timely manner to the Chair and Committee members for review and included in the papers for the following meeting for approval.

Conflicts of Interest

36. On joining the Committee, members will disclose any perceived, potential or actual conflicts of interest in a standing notice of interests. The 'Disclosure of Interest' is provided at the beginning of each Committee meeting for noting and updated where necessary.
37. Committee members also provide a list of possible conflicts of interest that are separate to the standing notice of interests (for example, holding of shares and self-managed superannuation funds). The Authority has provided a mechanism that allows conflicts of interest to be disclosed by Committee members that protect the confidentiality of the information provided. Complex potential or actual conflicts of interest declarations by Committee members can be considered by the Office of Legal Counsel and the considered outcome would apply to the extent to which the Committee member participates in the decision-making process of the Authority.
38. Where a member has declared a conflict relating to a specific matter on the meeting agenda, the Chair will decide the steps to implement a course of action. In general, actions may include: the conflicted member withdrawing from particular discussions and abstaining from decisions; restricting the flow of information to that member, or the member relinquishing the interest or the position.
39. Standing notices of interests are minuted at each meeting and where an interest has been declared, then in addition to the minuting of the declaration, the minutes would also record what if any action the Chair takes in response to the declaration.

Induction

40. New members will receive relevant information and briefings on their appointment in relation to AMSA and its operations to assist them to meet their Committee responsibilities.

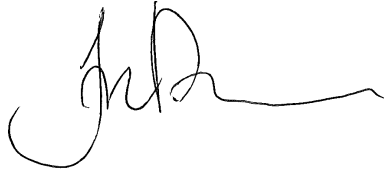
Assessment arrangements

41. The Chair of the Committee will initiate a self-assessment of the performance of the Committee at least once every two years. The review will involve input from each Committee member, senior management, the internal audit service provider, and any other relevant stakeholders as determined by the Committee. The outcomes of the review will be reported to the Board.

Review of charter

42. At least once a year the Committee will review this Charter and provide it to the Board for approval.
43. This Charter will be published on the AMSA website when approved by the Board and a direct link to this Charter will be included in each AMSA Annual Report.

Approved by:
22 June 2026



CAPT JEANINE DRUMMOND
BOARD CHAIR