



**Australian
Communications
and Media Authority**

Charter

Audit and Risk Committee Charter

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Australian Communications and Media Authority

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1 Audit and Risk Committee

1.1 Introduction

The Chair of the Australian Communications and Media Authority (ACMA), as the accountable authority, has established an Audit and Risk Committee (the Committee) in accordance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 17 of the PGPA Rule - Audit Committee for Commonwealth entities.

The eSafety Commissioner is an independent statutory officer under the *Online Safety Act 2021* (Online Safety Act). In addition, under section 170 of the Online Safety Act, the eSafety Commissioner is an official of the ACMA for the purposes of the finance law.

The ACMA makes staff available to assist the eSafety Commissioner to perform the Commissioner's functions and exercise the Commissioner's powers. In accordance with section 184(3) of the Online Safety Act, all ACMA staff who are assisting the eSafety Commissioner are officials of the ACMA and, as such, are subject to directions issued by the Chair of the ACMA as the accountable authority of the ACMA.

References to the ACMA throughout this Charter are to be read as including functions performed by ACMA staff for the eSafety Commissioner (eSafety).

1.2 Role

The Committee

The Committee's role is to provide independent advice in writing to the Chair of the ACMA on the appropriateness of the ACMA's financial reporting, performance reporting, system of risk oversight and management, and system of internal control.

The Committee is supported in discharging its responsibilities by the ACMA's internal audit function.

Members of the Committee

Members of the Committee are expected to understand and observe the legal requirements of the PGPA Act and Rule. Members are also expected to:

- act in the best interests of the ACMA as a whole
- apply good analytical skills, objectivity and sound judgment
- express opinions constructively and openly, raise issues that relate to the Committee's responsibilities and pursue independent lines of enquiry
- provide advice that takes into account the ACMA's operational context, strategic direction and key risks
- contribute the time required to meet their responsibilities.

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 Chair of the ACMA.

ACMA Management

The Committee will engage with the ACMA's executive in a constructive and professional manner in discharging its advisory responsibilities and formulating its advice to the Chair of the ACMA. The ACMA's executive consists of SES1 and SES2 and is responsible for the management of the ACMA's financial and performance reporting, risk oversight and management, and system of internal control functions.

Internal Audit

The Committee will be assisted by the ACMA's internal audit function. The internal audit function is responsible for delivering an internal audit program in line with the Committee's guidance and subject to approval by the Chair of the ACMA.

External Audit

Refer to [Section 4 – Engagement with the ANAO](#).

1.3 Governance

The Chair of the ACMA authorises the Committee, in accordance with its role and responsibilities, to:

- obtain any information it needs 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 the Chair of the ACMA, at committee meetings
- obtain external legal or other professional advice, as considered necessary to fulfil its role, at the ACMA's expense, subject to approval by the Chair of the ACMA or delegate.

1.4 Membership

The Committee comprises a minimum of 3 members who are appointed by the Chair of the ACMA. In accordance with subsection 17(4) of the PGPA Rule, all members of the Committee must be independent members and a majority of the members must be persons who are not officials of any Commonwealth entity.

The Chair of the Committee is appointed by the Chair of the ACMA. The Chair is authorised to appoint a Deputy Chair of the Committee who will act in the absence of the Chair of the Committee.

Committee members, taken collectively, will have a broad range of skills and experience relevant to the operations of the ACMA. 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.

Committee members will be appointed for an initial period determined by the Chair of the ACMA. The Chair of the Committee will be appointed for a minimum of 3 years, with an option to extend. Members will normally be appointed for a specified period not exceeding 2 years after which they will be eligible for extension or re-appointment, following a review of their performance and the complementary skills and experience of the other members.

Members may be re-appointed for further periods after consideration of their performance, as specified by the Chair of the ACMA.

The Chair of the ACMA may appoint one or more senior manager (SES1 or EL2) members of staff as internal adviser(s) to the Committee for a nominated period of time, which may be extended. The internal advisers give considered expert advice and counsel in connection with areas of the ACMA and/or eSafety where subject-matter expertise would enhance the Committee's understanding of the issues at hand, and have a Terms of Reference for their role, read in conjunction with this Charter.

A representative(s) of the ANAO will be invited to attend meetings of the Committee, as an observer.

2 Functions

The Committee is directly responsible and accountable to the Chair of the ACMA for the performance of functions and activities identified in this Charter. These may be revised, at any time, by the Chair of the ACMA.

2.1 Operating context

For the Committee to adequately fulfil its responsibilities, it must maintain an awareness of the operating context for the ACMA and eSafety. As Australia's communications and media landscape undergoes significant change, the ACMA is responding to this change in ways to both enable innovation and protect citizens. The ACMA's Corporate Plan 2023–24 articulates several developments expected over the next 4 years, some of which include:

- increasing appetite for advanced connectivity and the ubiquity of communications devices across all of Australia's economic, social, and public interest activities
- continuing take-up of 5G, with increased refarming of existing 3G/4G spectrum holdings
- expanding radio local area network (RLAN) technology, with more diverse devices using these networks.
- increasing restrictions for online gambling
- surging interest in generative AI
- growing take-up of online audio options.

The next 4 years are also likely to see significant change for eSafety. The eSafety Corporate Plan 2023–24 articulates the following developments expected in its operating environment over the next 4 years:

- advances in technologies, such as machine learning, artificial intelligence (AI) – including generative AI – and immersive technologies, will continue to escalate online connections, communication, entertainment, sharing and learning which bring the prospect of new possibilities for abuse
- increasing international influence as other nations develop online safety programs modelled on eSafety
- further implementation of the Online Safety Act and its associated regulatory reforms.

2.2 Financial Reporting

In providing advice on the appropriateness of the ACMA's systems and processes for financial reporting, the Committee is to review:

- the ACMA's annual financial statements
- the preparation of any supporting documentation requested by the Department of Finance in preparing the Australian Government's consolidated financial statements
- the processes and supporting systems in place designed to ensure that financial information included in the ACMA's annual report is consistent with the signed financial statements
- the sign-off by ACMA management in relation to the quality of the financial statements, internal controls and compliance
- the auditor's advice concerning the adequacy of the ACMA's accounting policies and the quality of the ACMA processes for the preparation of the ACMA's financial statements, through discussions with the ANAO
- whether appropriate management action has been taken in response to any significant issues raised by the ANAO.

2.3 Performance Reporting

In providing advice on the appropriateness of the ACMA's performance reporting, the Committee is to review the ACMA's systems and procedures for developing, measuring, assessing and reporting the achievement of the ACMA's performance.

In particular, the Committee will review:

- whether the ACMA's corporate plan includes details of how the ACMA's performance will be measured and assessed
- whether the ACMA's approach to measuring its performance throughout the financial year against the performance measures included in its corporate plan is sound, and has taken into account guidance issued by the Department of Finance
- whether the ACMA has sound processes in place for the preparation of its annual performance statement and its inclusion in the ACMA's annual report
- whether the ACMA has processes in place to provide assurance that the proposed annual performance statement is consistent with the ACMA's financial information, including its financial statements that it proposes to include in its annual report
- the ACMA's annual performance statement.

The Committee will also provide any advice it considers appropriate to eSafety on eSafety's performance reporting arising from the Committee's review of the preparation and presentation of eSafety's corporate plan and annual performance statement.

The Committee will also consider sign-off by ACMA and eSafety management in relation to the quality of the performance information to be included in the corporate plans and performance statements.

2.4 System of risk oversight and management

In providing advice on the appropriateness of the ACMA's system of risk oversight and management, the Committee is to review:

- whether management has in place a current and sound enterprise risk management policy framework and internal processes for effective identification and management of risk
- whether management has followed a sound approach in managing the ACMA's key risks, through engagement with senior executives and the internal audit program
- the process of developing and implementing the ACMA's fraud and corruption control arrangements and satisfy itself that the ACMA has appropriate processes and systems in place to respond to associated risks
- reports on fraud from management that outline any significant or systemic allegations of fraud, the status of any ongoing investigations and any significant changes to identified fraud risk in the ACMA
- whether the ACMA has appropriate systems and procedures in place to identify the ACMA's key risk assurance arrangements and review these annually.

2.5 System of internal control

Internal Control Framework

In providing advice on the appropriateness of the ACMA's system of internal control, the Committee is to review:

- management's approach to maintaining an effective internal control framework; this framework should include controls in relation to functions performed by external parties such as contractors and advisers

- whether management has in place relevant policies and procedures, including Accountable Authority Instructions and delegations, and that these are periodically reviewed and updated.

The Committee will also consider:

- whether appropriate processes are in place to assess whether key policies and procedures are complied with, such as complying with the Protective Security Policy Framework
- whether management periodically assesses the adequacy of the ACMA information security arrangements.

Legislative and Policy Compliance

The Committee is to consider the ACMA's legislative and policy compliance, including:

- the effectiveness of the system for monitoring the ACMA's compliance with relevant laws, regulations and associated government policies with which the ACMA must comply
- whether management has appropriately considered legal and compliance risks as part of the ACMA's enterprise risk management plan
- the ACMA's annual Compliance Report.

Internal Audit

The Committee is to consider the ACMA's internal audit activities, including to:

- review the proposed internal audit coverage, ensuring that it considers the ACMA's key risks
- endorse the Strategic Internal Audit Plan for approval by the Chair of the ACMA
- review all audit reports and provide advice to the Chair of the ACMA on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice
- obtain an annual report from the ACMA's outsourced internal audit service provider, on matters arising from the program over the past 12 months.

Business continuity management

The Committee is to consider the ACMA's business continuity arrangements, including whether a sound approach has been followed in establishing the ACMA's business continuity planning arrangements, and whether business continuity and disaster recovery plans have been periodically updated and tested.

Ethical and lawful conduct

The Committee is to consider ethical and lawful conduct within the ACMA, including whether the accountable authority 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.

2.6 Other functions

Oversight of the internal audit function

In reviewing the ACMA's internal audit function, the Committee is to:

- review the ACMA's Standard Operating Procedure – Audit every 2 years, to ensure appropriate authority, access and reporting arrangements are in place
- advise the Chair of the ACMA on any matters relating to the adequacy of internal audit resources, or budget, to carry out its responsibilities, including completion of the approved Strategic Internal Audit Plan
- monitor management's implementation of internal audit recommendations

- periodically review the performance of internal audit, and report the results to Chair of the ACMA
- provide a recommendation to the Chair of the ACMA on the appointment of the Internal Audit Service Provider
- periodically meet privately with the Internal Audit Service Provider.

Governance arrangements

The Committee is to periodically consider the ACMA's governance arrangements or elements of the arrangements as determined by the Chair of the ACMA and suggest improvements, where appropriate, to the Chair of the ACMA. Noting that the Chair of the ACMA is the accountable authority for both eSafety and the ACMA, but the eSafety Commissioner and ACMA have operational independence and statutory obligations, this will include reviewing, in conjunction with management, whether the governance arrangements in place remain fit-for-purpose or could be further strengthened.

Parliamentary committee reports and external reviews

In considering the activities of the ACMA in relation to parliamentary committee reports and external reviews, the Committee is to satisfy itself that the agency has appropriate mechanisms in place to review and implement, where appropriate, relevant parliamentary committee reports and external reviews and evaluations of the ACMA, and recommendations arising from these reports and reviews.

Administration

Refer to [Section 5 – Administrative Arrangements](#)

3 Reporting

The Committee is required to provide documented advice, at least annually, to the Chair of the ACMA to confirm that all functions outlined in this Charter have been satisfactorily addressed. The Committee may, at any time, report to the Chair of the ACMA on any other matter it deems of sufficient importance to do so. In addition, at any time an individual member may request a meeting with the Chair of the ACMA.

3.1 Written statements

The Committee is to provide, annually, advice to the Chair of the ACMA in the form of written statements on the following:

- the appropriateness of the performance information included in the ACMA's corporate plan
- the appropriateness of the ACMA's financial reporting and a recommendation in relation to the signing of the financial statements for the financial year, including that the financial statements, in the Committee's view, comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance
- the appropriateness of the ACMA's annual performance statement, and performance reporting as a whole, including adherence to the PGPA Act and Rule prior to the signing of the performance statements
- the appropriateness of the ACMA's system of risk oversight and management
- the appropriateness of the ACMA's system of internal control.

3.2 Annual Report and self-assessment

The Committee will, once a year, provide a written annual report to the Chair of the ACMA on its operation and activities during the year and confirm to the Chair of the ACMA that all functions outlined in this Charter have been satisfactorily addressed.

Every 2 years, the annual report will include the results of a self-assessment of the Committee's performance (see [5.7 Assessment of performance](#)).

3.3 Strategic Internal Audit Plan

The Committee will work together with the ACMA's executive and the appointed internal auditors to formulate a three-year Strategic Internal Audit Plan (SIAP). The Chair of the ACMA will be consulted during this process and will approve the final SIAP.

Once a year the Committee will provide, with the appointed internal auditors, an annual SIAP to the Chair of the ACMA. The annual SIAP will be based on the three-year SIAP and will detail the audits to take place during the following financial year, including the general scope of each audit and indicative timing. The annual SIAP will be approved by the Chair of the ACMA.

4 Engagement with the ANAO

4.1 ANAO

In undertaking its role and consistent with 1.3, the Committee will engage with the ANAO, as the ACMA's external auditor, in relation to the ANAO's financial statement and performance audit coverage.

In particular, the Committee will:

- monitor planned ANAO financial statement and performance audit coverage
- review management's responses to all ANAO financial statement management letters and performance audit reports, including the implementation of audit recommendations
- provide advice to the Chair of the ACMA on action to be taken on significant issues raised in relevant ANAO reports and audit insights
- meet privately with the ANAO at least once per year.

The Committee will monitor the audit and assurance activities of the ANAO to identify areas, issues or trends which may be relevant to the functions and operations of the ACMA.

5 Administrative Arrangements

5.1 Meetings

The Committee will usually meet 5 times per calendar year. One of those meetings will be a 'walk-through' meeting dedicated to review the ACMA's annual financial statements and annual performance statement. One or more special meetings may be held at the request of the Chair of the Committee to meet other specific responsibilities of the Committee.

The Chair of the Committee is required to call a meeting if asked to do so by the Chair of the ACMA and decide if a meeting is required if requested by another member, the internal audit service providers or the ANAO.

5.2 Planning

The Committee will develop a forward meeting schedule and annual work plan 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.

5.3 Attendance at meetings and quorum

A quorum will consist of a majority of committee members. The quorum must be in place at all times during the meeting.

5.4 Secretariat

The Chair of the ACMA, in consultation with the Committee, will appoint resourcing to provide secretariat support to the Committee.

The secretariat will ensure:

- the agenda for each meeting is approved by the Chair of the Committee
- the agenda and supporting papers are circulated at least 5 working days prior to the scheduled meeting unless otherwise agreed
- the minutes of the meeting are prepared and maintained.

Minutes must be reviewed by the Chair of the Committee and circulated, within 10 working days of the meeting, to members and observers as appropriate.

5.5 Conflicts of Interest

Once each year, Committee members will provide written declarations, through the secretariat, to the Chair of the ACMA declaring any actual or perceived conflicts of interest they may have in relation to their responsibilities. For the avoidance of doubt, any such declaration by a member must include a declaration of any material personal interest which a member may have in relation to their responsibilities.

Members should consider past employment, consultancy arrangements and related party issues in making these declarations and the Chair of the ACMA, in consultation with the Chair of the Committee, should be satisfied that there are sufficient processes in place to manage any actual or perceived conflict.

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

5.6 Induction

New members and internal advisers will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

5.7 Assessment of performance

The Chair of the Committee, in consultation with the Chair of the ACMA, will undertake a review of the performance of the Committee every 2 years. The review will be conducted on a self-assessment basis with appropriate input sought from the Chair of the ACMA, Committee members, senior management, the internal audit service providers, the ANAO and any other relevant stakeholders, as determined by the Chair of the ACMA.

The Chair of the Committee will provide advice to the Chair of the ACMA on an external member's performance where an extension of the member's tenure is being considered.

5.8 Review of Charter

At least once a year the Committee will review this Charter. Any substantive changes to the Charter will be recommended by the Committee and formally approved by the Chair of the ACMA.