



ACT
Government

Transport Canberra
and City Services

Audit Committee Charter

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Alison Playford
Director-General

1.0 Introduction

1.1 Purpose

The Audit Committee Charter sets out the role, composition, authority, responsibilities and operation of the Audit Committee for Transport Canberra and City Services (TCCS).

1.2 Role of the Audit Committee

Under Section 31 of the *Financial Management Act 1996*, Directors-General are responsible for maintaining adequate internal controls including the safeguarding of the assets of their directorates, compliance with applicable legislation and the proper reporting of the financial results of their directorate. The Audit Committee provides independent advice to the Director-General that the directorate is meeting these obligations through a range of means, including:

- **Internal audit**, through review and endorsement of the internal audit charter and providing final approval of internal audit reports and responses to findings;
- **External audit**, including review of annual financial statements and other reports produced by the ACT Audit Office;
- **Risk management** arrangements, including endorsement of the directorate's risk management framework;
- **Integrity and fraud** control arrangements, including advising the Director-General of any concerns regarding the management and implementation of integrity and fraud risk strategies;
- **Legislative compliance**, including annual review of the Directorate's adherence to relevant legislative, policy and process requirements and obligations;
- **Control framework**, including assessing whether management has in place relevant policies and procedures, such as Director-General's Instructions, and that these are periodically reviewed and updated; and
- **Audit recommendations**, covering the progress and implementation of agreed internal and external audit recommendations.

2.0 Establishment

2.1 Authority

The Audit Committee acts independently of management. It does not have executive powers, management functions or the authority to implement actions in areas over which management has responsibility, nor does the Audit Committee have any delegated financial responsibility.

The Audit Committee, and the staff within the directorate that represent it, have the authority to request any information they require from any employee of the directorate or audit service providers. The Audit Committee may also request the attendance of any employee, including the Director-General at committee meetings to discuss any audit matter with external auditors. It is also authorised to take independent, professional advice as it considers necessary.

2.2 Resources

The Director-General will provide the Audit Committee with the appropriate funding and other resources to undertake its role and responsibilities.

2.3 Secretariat

The Chief Audit Executive has oversight of the secretarial/administrative support provided to the Committee. Secretariat functions will be undertaken by the Internal Audit Manager in the Governance unit of TCCS.

3.0 Membership

3.1 Composition

The Committee will reflect a broad range of experience and knowledge, consistent with the directorate's activities, with members having appropriate skills and experience to discharge their responsibilities. The Committee shall consist of five members, comprising:

- independent Chair who is external to the directorate and able to provide a perspective independent to executive management;
- two independent members external to ACT Government;
- an Executive Group Manager (or above) from another ACT Government Directorate; and
- one internal member from TCCS Executive.

Advisors to the Audit Committee include the Chief Audit Executive; Chief Financial Officer; and Internal Audit Manager (Secretariat). Other observers and attendees may include the ACT Auditor-General or their representative and others as approved by the Chair and or nominated by the Chief Audit Executive. Should an advisor not be able to attend a meeting, they must notify the Chief Audit Executive at the earliest opportunity and nominate a replacement.

3.2 Appointment of members

In accordance with the ACT Framework for Internal Audit Committee and Function, Committee members will be appointed by the Director-General, reviewed at least every two years.

Initial appointments of all independent members (including the Chair) and the ACT Government representative will be for a period of three years, with the option of an extension, not exceeding 5 years total. Internal membership will be for one year generally. Rotation of members will be considered, depending on the knowledge and skill levels required by the Committee and in line with better practice requirements.

3.3 Cessation of appointment

Independent member appointments shall cease in accordance with their respective contract agreements. Internal TCCS and ACT Government representative members who cease employment with their respective entity are deemed to have ceased their appointment. Any member ceasing membership (unless at expiry of their contract) should provide written advice to the Director-General, via the Chief Audit Executive and Chair.

4.0 Administration

4.1 Frequency of meetings

The Audit Committee will meet a minimum of four times a year, with an additional meeting to be held in July to review the Financial Statements. The Chair may call a meeting of the Committee if requested by any Committee member or the Director-General. Committee members may also be asked to participate in subcommittees or working groups to pursue specific topics.

4.1.1 Site Tours

At least once every calendar year, members will participate in a half day tour of nominated TCCS owned or managed sites and facilities. Site tours are an integral part of the ongoing education and familiarisation of members with TCCS operations. Site tours are not separately remunerated, but will generally coincide with a scheduled meeting date as agreed within the annual audit committee workplan.

4.2 Quorum

A quorum will comprise three members. Should the Chair be absent, and a quorum exists, the attending members may appoint an acting Chair from the external members of the Committee.

4.3 Member substitution

Should an independent paid member or ACT Gov representative be unable to attend a meeting, they are an apology to the meeting. With agreement by the Chair, and Chief Audit Executive, the internal TCCS member may nominate a person to attend as an observer for that meeting.

4.4 Declaration of Conflicts of Interest

Members will complete a conflict of interest declaration at commencement of their tenure and annually.

At the commencement of each meeting, all members and advisers, with reference to the meeting's agenda, will declare any actual or potential conflicts of interest as they may relate to any items on the agenda. Declarations will be noted in the minutes of the Audit Committee.

4.5 Agenda and supporting papers

An agenda will be developed for each meeting and endorsed by the Chair. Audit Committee papers will be circulated in sufficient time (at least five working days prior) to allow members to review the information before the meeting where practicable. The Director-General, and Deputy Directors-General will also receive a copy of the papers for information.

4.6 Presentations to the Committee

Audit service providers will present final reports directly to the Audit Committee for consideration. Appropriate representative(s) from the relevant business units are required to attend the audit report presentation to provide additional information if required.

The Committee may also invite TCCS staff to give presentations to the Committee on any matters falling within the Committee's responsibilities.

4.7 Minutes

Minutes of Audit Committee meetings will be taken and will include a record of all decisions taken. This may include a voice recording of the meeting, which shall be stated in the agenda. Minutes of the Audit Committee will be circulated to Executive Branch Managers (as required) for information and actions arising. Wider distribution of the minutes will be with the explicit approval of the Audit Committee Chair or the Chief Audit Executive. Any voice recording will be destroyed once the record of minutes is complete.

4.8 Performance Review of Audit Committee

The Chair will develop an annual work plan in consultation with members and undertake evaluation of its performance in the form of an annual self-assessment against the work plan and committee charter; and, in consultation with key directorate stakeholders in the form of a survey every two years.

5.0 Reporting

5.1 Reports to Director-General

The Audit Committee, through the Chair, will report to the Director-General after each committee meeting, and on other occasions as required, on significant governance, risk and internal control issues.

6.0 Document review

This Charter will be reviewed annually from date of effect or following a significant change in the services delivered by the Transport Canberra and City Services Directorate, at the discretion of the Committee and/or Director-General.

7.0 Resources

7.1 Definition of terms

| Term | Definition |
|----------|--|
| ACTPS | ACT Public Service |
| Employee | A person employed by the ACTPS to undertake duties within the TCCS. Contractors and consultants engaged to represent the TCCS are also employees. |

7.2 Relevant legislation

| Legislation | Location |
|--|---|
| <i>Public Sector Management Act 1994</i> | http://www.legislation.act.gov.au/a/1994-37/default.asp |
| <i>Financial Management Act 1996</i> | http://www.legislation.act.gov.au/a/1996-22/default.asp |
| <i>Public Sector Management Standards 2016</i> | http://www.legislation.act.gov.au/di/2016-251/default.asp |

7.3 Relevant resources

| Policy/Document | Location |
|--|---|
| Director-General Instructions | Director-General Instructions |
| ACTPS Integrity Policy 2022 | https://www.cmtedd.act.gov.au/_data/assets/pdf_file/0004/2004925/ACTPS-Integrity-Governance-Policy.pdf |
| TCCS Risk Management Framework | https://actgovernment.sharepoint.com/sites/Intranet-TCCS/SitePages/Risk-Management |
| ACT Government Framework for Internal Audit Committee and Function | www.act.gov.au/accounting |
| Internal Audit Charter | https://objective.act.gov.au/#/documents/A33569809 |
| GAM-AC-SOP01 Audit Committee Administration | https://objective.act.gov.au/#/documents/A33988347 |