

Model Audit Committee charter— FMA entity¹

Chief Executives and Audit Committees are encouraged to review their existing charters against this model taking into account each entity's particular circumstances including the range of factors outlined in Part 3 of this Guide.

The Chief Executive has established the Audit Committee in compliance with section 46 of the *Financial Management and Accountability Act 1997* (FMA Act) and Regulation 22C of the Financial Management and Accountability Regulations.

This charter sets out the committee's objectives, authority, responsibilities, composition and tenure, reporting and administrative arrangements.

Objective

The objective of the committee is to provide independent assurance and assistance to the Chief Executive (and the Executive Board) on [the entity's] risk, control and compliance framework, and its financial statement responsibilities.

Authority

The Chief Executive authorises the committee, within its responsibilities, to:

- obtain any information it requires from any employee or external party (subject to any legal obligation to protect information);
- discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- request the attendance of any employee, including the Chief Executive, at committee meetings; and
- obtain legal or other professional advice, as considered necessary to meet its responsibilities, at [the entity's] expense to a preapproved limit of \$XXX.

¹ In entities subject to the FMA Act, responsibility and accountability for the entity generally rests with the Chief Executive. However, entities such as Prescribed Agencies under the FMA Act may have different governance structures depending on the entity's particular enabling legislation or other instrument of appointment. These arrangements can include entities governed by a single chief executive or a chief executive together with a number of full or part-time appointees. The specific arrangements under which entities are constituted will, in turn, dictate their governance arrangements including the composition and membership of the Audit Committee.

Composition and tenure

The Audit Committee comprises [insert number or range] members, appointed by the Chief Executive.²

The Chief Executive will appoint the Chair of the committee.

The committee is authorised to appoint a Deputy Chair who will act as chair in the absence of the Chair.

The Chief Executive, Chief Financial Officer, Chief Information Officer, and Head of Internal Audit may attend meetings as observers, as determined by the Chair, but will not be members of the committee.

A representative of external audit will be invited to attend all meetings of the committee, as observer.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of [the entity]. 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.

Members will be appointed for an initial period not exceeding three years. Members may be re-appointed after a formal review of their performance, for a further period not exceeding two years, unless otherwise agreed following discussions with the Chair.

Responsibilities

Risk management

- review whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification and management of the entity's business and financial risks; including fraud;
- determine whether a sound and effective approach has been followed in managing the entity's major risks including those associated with individual projects; program implementation, and activities³;
- assess the impact of the entity's enterprise risk management framework on its control environment and insurance arrangements;
- determine whether a sound and effective approach has been followed in establishing [the entity's] business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested;
- review the process of developing and implementing [the entity's] fraud control arrangements and satisfy itself the entity has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information; and
- review reports on fraud from the entity's Fraud Manager that outline any identified allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in the entity.

² The Audit Committee may have a temporary increase in the number of members as a result of staggering the rotation of members.

³ In exercising these responsibilities in particular, it is important that the committee's responsibilities be determined at the commencement of the program or activity, in consultation with those with line management responsibility for the program or activity.

Internal control

- review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisers, is sound and effective;
- review whether management has in place relevant policies and procedures, including Chief Executive's Instructions or their equivalent, and that these are periodically reviewed and updated;
- determine whether the appropriate processes are in place to assess, at least once a year; whether key policies and procedures are complied with;
- review whether appropriate policies and supporting procedures are in place for the management and exercise of delegations;
- consider how management identifies any required changes to the design or implementation of key internal controls; and
- assess whether management has taken steps to embed a culture that promotes the proper use⁴ of Commonwealth resources and is committed to ethical and lawful behaviour.

Financial statements

- satisfy itself about the adequacy of key internal controls and that the financial statements are supported by appropriate management sign-off;
- review the financial statements and provide advice to the Chief Executive; (including whether appropriate action has been taken in response to audit recommendations and adjustments)⁵ and recommend their signing by the Chief Executive; and
- review the processes in place designed to ensure that financial information included in [the entity's] annual report is consistent with the signed financial statements.

Legislative and policy compliance

- review the effectiveness of the system for monitoring [the entity's] compliance with those laws, regulations and associated government policies that the entity must comply with;
- review, where relevant, the entity's compliance with International Conventions, particularly the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions;⁶
- determine whether management has appropriately considered legal and compliance risks as part of the entity's enterprise risk management plan; and
- provide advice to the Chief Executive regarding the issue of the entity's annual Certificate of Compliance Report.⁷

4 The FMA Act, s.44, Promoting proper use etc. of Commonwealth resources, states that: 'A Chief Executive must manage the affairs of the Agency in a way that promotes proper use of the Commonwealth resources for which the Chief Executive is responsible'. Proper use is defined as: 'efficient, effective, economical and ethical use that is not inconsistent with the policies of the Commonwealth'.

5 The FMA Regulations require the Audit Committee to provide advice to the Chief Executive on the preparation and review of financial statements of the agency.

6 In line with this convention, the Australian Parliament has enacted the *Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999*.

7 Chief Executives of FMA agencies are required to provide an annual Certificate of Compliance to their portfolio minister and copied to the Minister for Finance and Deregulation, by 15 October each year.

Internal audit

- act as a forum for communication between the Chief Executive, senior management and internal and external audit;
- review the proposed internal audit coverage, ensure the coverage is aligned with [the entity's] key risks, and recommend approval of the Annual Work Plan by the Chief Executive;⁸
- advise the Chief Executive on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit work plan;
- coordinate the audit programs conducted by internal audit and other review functions⁹;
- review all audit reports and provide advice to the Chief Executive on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice¹⁰;
- monitor management's implementation of internal audit recommendations;
- periodically review the internal audit charter to ensure appropriate authority, access and reporting arrangements are in place;
- periodically review the performance of internal audit; and
- provide advice to the Chief Executive on the appointment of the Head of Internal Audit (in the case of an in-house internal audit function) and/or recommend to the Chief Executive the appointment of the internal auditor where outsourced or co-sourced.

External Audit

- act as a conduit for communication between the Chief Executive, senior management and external audit;¹¹
- provide input and feedback on financial statement and performance audit coverage proposed by external audit, and provide feedback on the audit services provided;
- review all external audit plans and reports¹² in respect of planned or completed audits and monitor management's response and implementation of audit recommendations¹³; and
- provide advice to the Chief Executive on action to be taken on significant issues raised in relevant external audit reports or better practice guides.

8 FMA Regulation 22C requires the Audit Committee to advise the Chief Executive about the internal audit plans of the Agency.

9 FMA Regulation 22C requires the Audit Committee to coordinate, as far as practicable, the work programs relating to internal and external audit.

10 The FMA Regulations require the Audit Committee to review all audit reports involving matters of concern to senior management of the agency, including the identification and dissemination of good practices; and provide advice to the Chief Executive on action to be taken on matters of concern raised in a report of the internal auditors or in a report of the Auditor-General concerning the agency.

11 See s46(1)(b) of the FMA Act.

12 This should include being advised of the implications for the entity of audit recommendations and guidance arising from such things as cross-agency audits and better practice guides.

13 FMA Regulation 22C requires the Audit Committee to review all audit reports involving matters of concern to senior management of the agency, including the identification and dissemination of good practices.

Governance arrangements

- periodically review, [the entity's] governance arrangements or elements of the arrangements as determined by the Chief Executive and suggest improvements, where appropriate, to the Chief Executive.

Other responsibilities

- Portfolio responsibilities:
- satisfy itself that appropriate mechanisms are in place for the portfolio Chief Executive to be informed of all significant issues within the portfolio that may affect the portfolio responsibilities of the Chief Executive.
- Parliamentary committee reports and external reviews:
- satisfy itself that the entity has appropriate mechanisms in place to review and implement, where appropriate, relevant parliamentary committee reports and external reviews of the entity, and recommendations arising from these reports and reviews.
- Performance reporting framework:
- satisfy itself that the entity has an appropriate performance reporting framework that meets government policy objectives and requirements and is linked to the agency's objectives and outcomes.

Sub-committees

The committee may establish one or more sub-committee/s to assist the full committee in meeting its responsibilities.

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

- a member of the full committee is appointed as Chair of the sub-committee; the membership of sub-committees could extend beyond members of the full committee if additional expertise on particular matters is required;
- minutes of all meetings of sub-committees are taken, distributed promptly to all members of the full committee, and tabled for discussion at the next full committee meeting; and
- important issues that may require consideration by the full committee are brought to the attention of the Chair immediately following a sub-committee meeting so that the Chair is in a position to decide what action to take.

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

Responsibilities of committee members

Members of the committee are expected to understand and observe the legal requirements of the FMA Act and regulations. Members are also expected to:

- act in the best interests of the entity;
- apply good analytical skills, objectivity and good judgment;
- express opinions constructively and openly, raise issues that relate to the committee's responsibilities and pursue independent lines of enquiry; and
- contribute the time required to review the papers provided.

Reporting

The committee will as often as necessary, and at least once a year, report to the Chief Executive on its operation and activities during the year. The report should include:

- a summary of the work the committee performed to discharge its responsibilities during the preceding year;
- a summary of [the entity's] progress in addressing the findings and recommendations made in internal and external audit and parliamentary committee reports;
- an overall assessment of [the entity's] risk, control and compliance framework, including details of any significant emerging risks or legislative changes affecting [the agency]; and
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings each member attended.

The committee may, at any time, report to the Chief Executive any other matter it deems of sufficient importance to do so. In addition, at any time an individual committee member may request a meeting with the Chief Executive.

Administrative arrangements

Meetings

The committee will meet at least four times per year. A special meeting may be held to review [the agency's] annual financial statements.

The Chair is required to call a meeting if asked to do so by the Chief Executive, and decide if a meeting is required if requested by another member.

Planning

The committee will develop a forward meeting schedule 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.

Attendance at meetings and quorums

A quorum will consist of a majority of committee members. Where there is more than one external member on the committee, a quorum will include at least one external member.

Secretariat

The Chief Executive, in consultation with the committee, will appoint a person to provide secretariat support to the committee. The secretariat will: ensure the agenda for each meeting is approved by the Chair; the agenda and supporting papers are circulated, at least one week before the meeting; and ensure the minutes of the meetings are prepared and maintained. Minutes must be reviewed by the Chair and circulated within two weeks of the meeting to each member and committee observers, as appropriate.

Conflicts of interest

Once each year, members of the Audit Committee will provide written declarations to the Chair for provision to the Chief Executive declaring any potential or actual conflicts of interest they may have in relation to their responsibilities. External members should consider past employment, consultancy arrangements and related party issues in making these declarations and the Chair should be satisfied that there are sufficient processes in place to manage any real or perceived conflict.

At the beginning of each Audit Committee meeting, members are required to declare any potential or actual conflicts of interest 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). Details of potential or actual conflicts of interest declared by members and action taken will be appropriately minuted.

Induction

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

Assessment arrangements

The Chair of the Audit Committee, in consultation with the Chief Executive, will initiate a review of the performance of the committee at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Chief Executive) with appropriate input sought from the Chief Executive, committee members, senior management, the internal and external auditors, Chief Financial Officer, and any other relevant stakeholders, as determined by the Chief Executive.

The Chair will provide advice to the Chief Executive/Board on an external member's performance where an extension of the member's tenure is being considered.

Review of charter

At least once a year the committee will review this charter. This review will include consultation with the Chief Executive.

Any substantive changes to the charter will be recommended by the committee and formally approved by the Chief Executive.

Approved

[Signature]

Chief Executive

Date

Model Audit Committee charter— CAC entity¹

Boards and Audit Committees are encouraged to review their existing charters against this model taking into account each entity's particular circumstances, including the range of factors outlined in Part 3 of this Guide.

The Board has established the Audit Committee in compliance with section 32 of the *Commonwealth Authorities and Companies Act 1997* (CAC Act) and Regulation [X] of the CAC Regulations.

This charter sets out the committee's objectives, authority, responsibilities, composition and tenure, reporting and administrative arrangements.

Objective

The objective of the committee is to provide independent assurance and advice to the Board on [the entity's] risk, control and compliance framework, and its financial statement responsibilities.

Authority

The Board authorises the committee, within its responsibilities, to:

- obtain any information it requires from any employee or external party (subject to any legal obligation to protect information);
- discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- request the attendance of a Director or any employee, including the Chief Executive, at committee meetings; and
- obtain legal or other professional advice, as considered necessary to meet its responsibilities, at [the entity's] expense to a preapproved limit of \$XXX.

¹ In the majority of CAC entities responsibility and accountability for the entity generally rests with a Board. However, some CAC entities have different governance structures depending on the entity's particular enabling legislation or other instrument of appointment. Some CAC entities are governed by a Chief Executive supported by a number of full or part-time appointees. The specific arrangements under which entities are constituted will, in turn, dictate their governance arrangements including the composition and membership of the Audit Committee.

Composition and tenure

The Audit Committee comprises [insert number or range] members, appointed by the Board.²

The Board will appoint a non-executive member as the Chair of the committee; normally a member of the Board.

The committee is authorised to appoint a Deputy Chair who will act as chair in the absence of the Chair.

The Chief Executive, Chief Financial Officer, and Chief Information Officer may attend meetings as observers, as determined by the Chair, but will not be members of the committee.

A representative of external audit will be invited to attend all meetings of the committee, as observer.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of [the entity]. 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.

Members will be appointed for an initial period not exceeding [three]³ years. Members may be re-appointed after a formal review of their performance, for a further period not exceeding two years, unless otherwise agreed following discussions with the Chair.

Responsibilities

Risk management

- review whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for effective identification and management of the entity's business and financial risks, including fraud;
- determine whether a sound and effective approach has been followed in managing the entity's major risks including those associated with individual projects, program implementation, and activities⁴;
- assess the impact of the entity's enterprise risk management framework on its control environment and insurance arrangements;
- determine whether a sound and effective approach has been followed in establishing [the entity's] business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested;
- review the process of developing and implementing [the entity's] fraud control arrangements and satisfy itself the entity has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information; and
- review reports on fraud from the entity's Fraud Manager that outline any identified allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in the entity.

2 The Audit Committee may have a temporary increase in the number of members as a result of staggering the rotation of members.

3 The period of appointment would be expected to be consistent with the appointment arrangements for the Board.

4 In exercising these responsibilities in particular, it is important that the committee's responsibilities be determined at the commencement of the program or activity, in consultation with those with line management responsibility for the program or activity.

Internal control

- review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisers, is sound and effective;
- review whether management has in place relevant policies and procedures, including Chief Executive's Instructions or their equivalent, and that these are periodically reviewed and updated;
- determine whether the appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with;
- review whether appropriate policies and supporting procedures are in place for the management and exercise of delegations;
- consider how management identifies any required changes to the design or implementation of key internal controls; and
- assess whether management has taken steps to embed a culture which is committed to ethical and lawful behaviour;

Financial statements

- satisfy itself that the financial statements are supported by appropriate management sign-off on the statements and on the adequacy of key internal controls;
- review the financial statements and provide advice to the Chief Executive; (including whether appropriate action has been taken in response to audit recommendations and adjustments to the draft financial statements) and recommend their signing by the Board; and
- review the processes in place designed to ensure that financial information included in the [entity's] annual report is consistent with the signed financial statements.

Legislative and policy compliance

- review the effectiveness of the system for monitoring [the entity's] compliance with those laws, regulations and associated government policies that the entity must comply with;
- review, where relevant, the entity's compliance with International Conventions, particularly the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions⁵
- determine whether management has appropriately considered legal and compliance risks as part of the entity's enterprise risk management plan; and
- provide advice to the Board regarding the issue of the entity's annual Compliance Report.⁶

⁵ In line with this convention, the Australian Parliament has enacted the *Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999*.

⁶ CAC Act bodies must report on legislative compliance and financial sustainability to the Minister for Finance and Deregulation and the body's responsible Minister, by 15 October each year.

Internal audit

- act as a forum for communication between the Board, senior management and internal and external audit;
- review the proposed internal audit coverage, ensure the coverage is aligned with [the entity's] key risks, and recommend approval of the Annual Work Plan by the Chief Executive;
- advise the Chief Executive on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit work plan;
- coordinate, as far as practicable, audit programs conducted by internal audit and other review functions;
- review all audit reports and provide advice to the Board on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice;
- monitor management's implementation of internal audit recommendations;
- review the internal audit charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place;
- periodically review the performance of internal audit; and
- provide advice to the Chief Executive on the appointment of the Head of Internal Audit (in the case of an in-house internal audit function) and/or recommend to the Chief Executive the appointment of the internal auditor where outsourced or co-sourced.

External audit

- act as a conduit for communication between the Board, senior management and external audit⁷;
- provide input and feedback on financial statement and performance audit coverage proposed by external audit, and provide feedback on the audit services provided;
- review all external audit plans and reports⁸ in respect of planned or completed audits and monitor management's response and implementation of audit recommendations; and
- provide advice to the Board on action to be taken on significant issues raised in relevant external audit reports or better practice guides.

Governance arrangement

- periodically review [the entity's] governance arrangements or elements of the arrangements as determined by the Board and suggest improvements, where appropriate, to the Board.

⁷ Section 32 of the CAC Act requires Audit Committees to provide a forum for communication between the directors, the senior managers of the authority, and the internal and external auditors.

⁸ This should include being advised of the implications for the entity of audit recommendations and guidance arising from such things as cross-agency audits and better practice guides.

Other responsibilities

Parliamentary committee reports and external reviews

- satisfy itself that the entity has appropriate mechanisms in place to review and implement, where appropriate, relevant parliamentary committee reports and external reviews of the entity, and recommendations arising from these reports and reviews.

Performance reporting framework

- satisfy itself that the entity has an appropriate performance reporting framework that meets government policy objectives and requirements and is linked to the entity's objectives and outcomes.

Sub-committees

The committee may establish one or more sub-committee/s to assist the full committee in meeting its responsibilities.

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

- a member of the full committee is appointed as Chair of the sub-committee; the membership of sub-committees may extend beyond members of the full committee if additional expertise on particular matters is required;
- minutes of all meetings of sub-committees are to be taken, distributed promptly to all members of the full committee, and tabled for discussion at the next full committee meeting; and
- important issues that may require consideration by the full committee are brought to the attention of the Chair immediately following a sub-committee meeting so that the Chair is in a position to decide what action to take.

Responsibilities of committee members

Members of the committee are expected to understand and observe the legal requirements of the CAC Act and regulations. Members are also expected to:

- act in the interests of the entity;
- apply good analytical skills, objectivity and good judgment; and
- express opinions constructively and openly, raise issues that relate to the committee's responsibilities and pursue independent lines of enquiry.

Reporting

The committee will as often as necessary, and at least once a year, report to the Board on its operation and activities during the year. The report should include:

- a summary of the work the committee performed to discharge its responsibilities during the preceding year;
- a summary of [the entity's] progress in addressing the findings and recommendations made in internal and external audit and parliamentary committee reports;
- an overall assessment of [the entity's] risk, control and compliance framework, including details of any significant emerging risks or legislative changes impacting [the entity]; and
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings each member attended.

The committee may, at any time, report to the Board any other matter it deems of sufficient importance to do so. In addition, at any time an individual committee member may request a meeting with the Chair of the Board.

Administrative arrangements

Meetings

The committee will meet at least four times per year. A special meeting may be held to review [the agency's] annual financial statements.

The Chair is required to call a meeting if asked to do so by the Chair of the Board, and decide if a meeting is required if requested by another member.

Planning

The committee will develop a forward meeting schedule that includes the dates, location, and proposed agenda items for each meeting for the forthcoming year, that cover all the responsibilities outlined in this charter.

Attendance at meetings and quorums

The quorum for meetings of the committee is two persons or if the majority of the committee is greater than two persons, then that number of persons.

Secretariat

The Board, in consultation with the committee, will appoint a person to provide secretariat support to the committee. The secretariat will ensure: the agenda for each meeting is approved by the chair; the agenda and supporting papers are circulated, at least one week before the meeting; and the minutes of the meetings are prepared and maintained. Minutes must be reviewed by the Chair and circulated within two weeks of the meeting to each member and committee observers, as appropriate.

Conflicts of interest

Once each year, members of the Audit Committee will provide written declarations to the Chair for provision to the Board declaring any potential or actual conflicts of interest they may have in relation to their responsibilities. External members should consider past employment, consultancy arrangements and related party issues in making these declarations, and the Chair should be satisfied that there are sufficient processes in place to manage any real or perceived conflict.

At the beginning of each Audit Committee meeting, members are required to declare any potential or actual conflicts of interest 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). Details of potential or actual conflicts of interest declared by members and action taken will be appropriately minuted.

Induction

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

Assessment arrangements

The Chair of the Audit Committee, in consultation with the Chair of the Board, will initiate a review of the performance of the committee at least once every two years. The review will be conducted on a self-assessment basis (unless otherwise determined by the Board) with appropriate input sought from Board members, committee members, senior management, the internal and external auditors, Chief Financial Officer, and any other relevant stakeholders, as determined by the Chair of the Board.

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

Review of charter

At least once a year the committee will review this charter. This review will include consultation with the Board.

Any substantive changes to the charter will be recommended by the committee and formally approved by the Board.

Approved

[Signature]

Chair of the Board

Date:

Checklists and proforma

Part 3 of the Guide consists of: a number of checklists relating to particular areas of responsibility of Audit Committees; a checklist to assist in guiding discussions with the Chief Executive/Board; a proforma forward meeting schedule and self-assessment questionnaire.

Completed checklists should be retained in the Audit Committee's records to evidence the committee's deliberations.

Committee checklists

The committee checklists are designed to assist the Audit Committee's consideration of each area of responsibility through the review of material, discussion or presentations from management representatives of the entity.

Each checklist should be tailored to meet the entity's particular circumstances.

A 'no' or 'partially met' response may indicate where more detailed discussion is warranted or where specific follow-up action by the committee is warranted.

Management checklists

The Audit Committee may wish to implement a more formal and systematic process in discharging its responsibilities.

These checklists are one approach the Audit Committee may wish to take. The checklists are a series of questions that management is required to answer and submit to the Audit Committee to provide assurance that appropriate arrangements are in place in respect of particular aspects of the committee's responsibilities. In implementing this approach the Audit Committee will need to determine which members of the entity's senior management team should be responsible for signing the checklist.

Each checklist should be tailored to meet the entity's particular circumstances.

A 'no' or 'partially met' answer does not necessarily indicate a failure or deficiency, but may point to the need for specific action to be taken by management.

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Risk management—Audit Committee checklist

Risk management strategy and policy	Yes	No	Partially met
Does the committee understand the Chief Executive/Board's approach and attitude to the management of risks by the entity, including the entity's assessment of risks?			
Has the committee a good understanding of the arrangements in place for the management of the entity's risks, particularly the entity's highest risks?			
Does the committee review the management of risks in high-risk projects, programs and activities?			
If not, is the committee satisfied that arrangements exist for the effective management of these risks?			
Does a formal risk management framework exist?			
<p>Does the committee understand the Chief Executive/Board's approach and attitude to the management of risks by the entity, including the entity's assessment of risks?</p> <ul style="list-style-type: none"> • Has the committee a good understanding of the arrangements in place for the management of the entity's risks, particularly the entity's highest risks? • Does the committee review the management of risks in high-risk projects, programs and activities? • If not, is the committee satisfied that arrangements exist for the effective management of these risks? • Does a formal risk management framework exist? 			
Are the primary elements of the entity's risk management approach (for example, business continuity plan, disaster recovery plan, fraud control plan, annual risk assessment, etc) effectively coordinated?			
Are communication channels in place to advise staff of the entity's approach to risk management?			
Has the Chief Executive/Board formally endorsed, and actively encouraged, the use of risk management in the development of the key policies and procedures?			

Responsibility for risk management	Yes	No	Partially met
Has responsibility for the risk management framework and activities of the entity been clearly assigned to a senior manager?			

Risk Identification and assessment	Yes	No	Partially met
Does the risk management framework effectively identify and assess risks, including new and emerging risks and fraud risks?			

Risk mitigation and improvement	Yes	No	Partially met
Are controls in place to manage effectively the highest risks?			
Are there any entity-wide control strategies to address 'common risks'?			
Does management ensure that risk mitigation strategies or improvements are effectively implemented?			
Does the entity's fraud control policy and plan identify controls to effectively mitigate identified fraud risks?			

Monitoring/reporting risk assessment activity	Yes	No	Partially met
Are critical risks or control failures escalated within the entity?			
Does senior management periodically receive reports on risk management plans and take action where necessary?			
Does internal audit provide the Audit Committee with a level of assurance over key risks and associated controls?			
Are sufficient resources dedicated to risk management and insurance activities?			

Risk management—management checklist

Risk strategy	Yes	No	Partially
Is the entity's risk management framework clearly articulated and communicated to all staff?			
Has the 'tone at the top' from the Chief Executive/ Board's perspective permeated the risk culture of the entity?			
Have the entity's risks, as set out in the entity's risk management plan, been considered during business planning?			

Responsibility for risk management	Yes	No	Partially
Is responsibility and accountability for risk management clearly assigned to individual managers?			
Are risk management activities/responsibilities included in job descriptions, where appropriate?			
Are the primary risk management activities (for example, business continuity planning, fraud control plan, annual risk assessment, and so on) across the entity, clearly defined?			
Is responsibility for co-ordinating and reporting risk management activity to the Audit Committee, or other relevant committee, clearly defined?			
Does the entity have a risk management support capability to assist with ongoing risk management practices?			

Risk framework	Yes	No	Partially
Is there a common risk management language/terminology across the entity?			
Does management have a formal business continuity plan incorporating a disaster recovery plan?			
Is the plan regularly tested and updated where necessary?			
Are risk assessments undertaken at both strategic and operational levels?			
Have the risks associated with high-risk projects, program implementation and activities been identified and assessed?			
Have the risks associated with cross-agency governance arrangements been identified?			
Does a comprehensive risk profile exist?			
Is a risk assessment undertaken for all significant organisational changes/projects?			
Does management have effective processes for ensuring risk assessments have been performed in each major business area?			
Is there a process in place to identify emerging risks and to incorporate these into the entity's risk management plan?			
Do the entity's policies appropriately address relevant operational and financial risks?			
Have any frauds, material irregularities or possible illegal acts been identified?			
If so, have they been fully investigated and controls revised, where appropriate?			
Does the entity have a current fraud control policy and plan in place which identifies all fraud-related risks?			

Risk mitigation and improvement	Yes	No	Partially
Does management periodically assess the effectiveness of controls over the highest priority risks?			
Are the controls to mitigate risks to within the entity's risk tolerance adequate?			
Have all significant recommendations that impact on risk or the effective operation of controls, made by the entity's internal and external auditors, been addressed in a timely manner?			

Monitoring/reporting/risk assessment activity	Yes	No	Partially
Is there a response plan for prompt and effective action when fraud or an illegal act is discovered?			
Are systems in place for monitoring and reporting on high-risk projects, programs and/or activities?			
Are systems in place for monitoring and reporting on the management of risks, particularly high risks?			
Does the entity have a formal process by which senior management periodically assure the Chief Executive/ Board that the entity's risk management practices are operating effectively?			

Control Improvement	Yes	No	Partially
Continuous improvement			
Are systems in place for monitoring and reporting on high-risk projects, programs and/or activities?			
Are systems in place for monitoring and reporting on the management of risks, particularly high risks?			
Does the entity have a formal process by which senior management periodically assure the Chief Executive/ Board that the entity's risk management practices are operating effectively?			

Name:

Position:

(to be completed by the most senior executive(s) responsible for risk management in the entity)

Signed: Date: / /

Fraud control—Audit Committee checklist¹

Governance arrangements	Yes	No	Partially met
Does the entity have an appropriate fraud incident register and associated procedures in place to capture and effectively investigate fraud-related information?			
Does the entity's fraud control framework integrate with the entity's risk management and compliance frameworks?			
Is the fraud control framework adequately supported by sufficient instructions and guidance for employees?			
Does the entity have an appropriate fraud awareness and ethics training process in place and is this supported by a robust Fraud Policy and Code of Conduct?			

Fraud risk assessment and fraud control plan	Yes	No	Partially met
Does the entity's fraud risk assessment consider: <ul style="list-style-type: none"> • external and internal fraud risks? • the entity's role and function? 			
Is the fraud risk assessment linked to the entity's risk assessment and business planning process?			
Have key controls been identified and established to address all identified fraud risks?			
Where shortcomings have been identified, have strategies been identified to mitigate these?			
Have the key fraud risks been considered in the context of the entity's internal audit plan?			
Is the entity's fraud risk assessment and fraud control plan current and up-to-date?			
Is there a formal process in place to regularly review the entity's fraud risk assessment and fraud control plan?			

¹ See ANAO *Better Practice Guide—Fraud Control in Australian Government Entities*, March 2011, Canberra, p. 9

Monitoring and reporting	Yes	No	Partially met
Is there a formal process in place to monitor and report on the fraud risks and controls?			
Does the entity have adequate reporting channels in place for individuals (both internal and external to the entity) to report a suspected fraud?			
Does the Audit Committee receive regular reports on fraud from the entity's Fraud Manager? (These reports should outline any identified allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risks.)			

Fraud control—management checklist

Governance arrangements	Yes	No	Partially met
Does the entity have an effective and articulated fraud control framework in place?			
Does the entity have a central point of contact for fraud control within the entity?			
Does the Audit Committee have a role in reviewing the development and implementation of the fraud risk assessment and fraud control plan?			
Is information on the entity's Values and Code of Conduct easily accessible to employees and included as part of its induction processes?			
Does the entity have a conflict of interest policy and is this easily accessible and understood by employees?			

Fraud prevention	Yes	No	Partially met
Has the entity undertaken a comprehensive fraud risk assessment in the previous two years, or following any significant change to the entity if earlier?			
In identifying fraud risks, did the entity consider: the entity's role, size and function; any change in structure or function; external and internal fraud; new and emerging fraud risks; and the broader organisational risks?			
Has a fraud control plan been developed to minimise the impact and likelihood of identified risks?			
Has a fraud policy been issued by the CEO outlining the entity's position on fraud?			
Do agreements with non-government service providers consider the applicable elements of the APS Values and Code of Conduct?			
Does the entity ensure that adequate employment screening procedures are implemented?			
Does the entity take steps to ensure the bona fides of new suppliers and customers and periodically confirm these?			
Does the entity ensure that adequate fraud awareness activities and training are conducted within the organisation? This should also include external parties such as suppliers and customers.			
Does the entity have a formal process in place for communicating the outcomes of completed fraud investigations?			

Fraud detection	Yes	No	Partially no
Does the entity have a range of internal and external reporting mechanisms in place for parties to report suspected unethical behaviour (including fraud)?			
Are the entity's reporting mechanisms easily accessible by internal and external parties?			
Does the entity use internal audit to actively review its detective control environment?			
Does the entity provide sufficient information to enable employees to recognise the possible 'red flag' or early warning signs of fraud activity?			
Does the entity require active fraud detection measures such as data mining or 'hot spot analysis'?			

Fraud response	Yes	No	Partially no
Is there a system (fraud incident register) for recording allegations?			
Are employees or contractors responsible for conducting investigations on behalf of the entity appropriately qualified?			
Does the entity use the Australian Government Investigations Standards when conducting investigations?			
Does the entity use a Case Categorisation and Prioritisation Model to aid in the preliminary assessment of fraud allegations?			
Is there a general policy that recovery action be undertaken where the likely benefit will exceed the recovery costs?			
Are there processes to seek recoveries?			

Monitoring, evaluating and reporting	Yes	No	Partially no
Are there effective reporting channels (internal and external) in place to ensure all reported instances of fraud are adequately monitored?			
Do the monitoring systems ensure appropriate accountability for fraud control?			
Is there a quality assurance review system in place to help identify problems in all aspects of fraud control and its operations?			
Following an instance of fraud, does the entity review the work processes subject to the fraud to determine whether changes are required to existing processes, including processes relating to fraud risk assessment and fraud prevention?			

Internal control—Audit Committee checklist

Policies and procedures	Yes	No	Partially met
Are the entity's key internal controls reflected in, or addressed by, its policies and procedures such as Chief Executive's Instructions, or their equivalent?			
Are arrangements in place to ensure the entity's policies and procedures are appropriately reviewed, approved and communicated to all staff?			

Responsibilities and accountabilities	Yes	No	Partially met
Are delegations of authority and responsibility to individuals properly approved and kept up-to-date?			
Are delegations of authority communicated to all staff in the entity?			
Has the responsibility for the development, review and implementation of key internal controls and associated policies been clearly assigned to individual managers or business areas?			
Do Audit Committee members have a good understanding of the entity's internal controls and mechanisms to assess compliance with the entity's financial management responsibilities?			

Business systems and internal controls	Yes	No	Partially met
Does the entity's system of internal controls mitigate controllable risks to an acceptable level?			
Are changes to the design or implementation of key internal controls properly identified and implemented?			
Are processes in place to review the adequacy of financial and other key controls for all new systems, projects and activities?			
Do internal control arrangements address, to the extent necessary, cross-agency responsibilities and external parties, including contractors and advisors?			
Are appropriate business continuity planning arrangements in place?			
Do processes and systems capture fraud-related information?			
Are appropriate security policies and procedures, covering both physical and IT security, in place?			

Conduct and ethical behaviour	Yes	No	Partially met
Does the entity effectively promote and communicate the responsibilities of staff in respect of ethical behaviour and conduct? ¹			
Are expectations regarding ethical behaviour and conduct documented and communicated to new and existing staff?			

Effectiveness of the internal control framework	Yes	No	Partially met
Are arrangements in place to periodically assess the effectiveness of the entity's key internal controls, for example, through internal and external audit coverage, management review, sign-offs and self-assessments.			
Are internal and external audit findings on key internal control deficiencies or breakdowns addressed by management in a timely manner?			

¹ For example, officers employed under the *Public Service Act 1999* are required to comply with the Australian Public Service (APS) Values and Code of Conduct.

Internal control—management checklist

Policies and procedures	Yes	No	Partially met
Does the entity have approved policies and procedures (for example, Chief Executive's Instructions or their equivalent) which document its key business procedures and incorporate details of key internal controls?			
Are policies and procedures: <ul style="list-style-type: none"> • disseminated to all staff? • regularly reviewed and revised where appropriate? 			
Do policies and procedures cover the selection, engagement and management of external parties such as contractors and advisors?			

Responsibilities and accountability	Yes	No	Partially met
Are delegations of authority and responsibility to individuals appropriately determined and approved?			
Are staff formally advised of their delegated authority limits?			
Are delegations of authority and responsibility reviewed and updated on a timely basis?			
Has the responsibility for the development, review and dissemination of the entity's fraud control plan been formally allocated to an individual or business area?			

Business systems and internal controls	Yes	No	Partially met
Are ongoing reviews of the internal controls for key business processes and activities performed and are suggestions for improvement acted on promptly?			
Are control self-assessments carried out by management subject to scrutiny and challenge?			
Are there formal mechanisms for following up communications from external parties (such as customers, suppliers, contractors or regulators) that indicate problems in the internal control system or that staff have acted inappropriately?			
Is there a formal process to review the adequacy of controls in all new key systems, projects and activities?			
Do the entity's internal controls adequately protect the entity's assets from fraudulent and/or inappropriate use?			

Business systems and internal controls (cont'd)	Yes	No	Partially
Do the entity's internal control arrangements address, where required, cross-agency arrangements and external service provision?			
Do the entity's financial controls incorporate, where relevant, the following: <ul style="list-style-type: none"> • approval and authorisation of transactions; • timely reconciliation of balances; • review of reconciliations; • production and review of exception reports; • segregation of duties; and • restricted access to financial management systems and data. 			
Does each level of management receive timely information that compares key performance measures against budgets or other targets?			
Are staff encouraged to report improprieties or management override of established internal controls?			
Has there been a formal assessment of information security requirements for the entity?			
Are computers and electronic data adequately protected from improper use, loss or destruction?			
Have staff been informed of their responsibilities and accountabilities relating to the secure and confidential use of IT assets including data?			
Is the security of data and systems including remote access mechanisms such as the Internet regularly assessed, tested and monitored?			
Is a Business Continuity Plan, incorporating a disaster recovery plan, in place? If so, is the Plan regularly reviewed, updated and tested?			
Have any major security incidents over the last 12 months been reported to external parties, where required, and has effective remedial action been taken?			
Have there been any major systems failures over the past 12 months due to control breakdowns? If yes, have controls been reviewed and strengthened where required?			

Conduct and ethical behaviour	Yes	No	Partially met
Are all staff periodically informed of the entity's responsibilities and expectations in respect of their conduct and ethical behaviour?			
Does the entity's performance appraisal arrangements include an assessment of an individual's observance of the entity's standards of behaviour?			

Effectiveness of the internal control framework	Yes	No	Partially met
Has the entity put in place appropriate review mechanisms, such as quality assurance reviews, peer reviews, benchmarking exercises or independent evaluations, to periodically assess the effectiveness of the entity's internal controls?			
Are key internal controls subject to periodic internal audit coverage?			
Have all recommendations by internal and external audit, made within the past 12 months to address identified weaknesses in internal controls, been implemented?			

Name:

Position:

(to be completed by the most senior executive(s) responsible for the entity's control framework)¹

Signed: Date: / /

¹ Depending on the allocation of responsibilities and arrangements within the entity it may be appropriate for the checklist to be signed by more than one officer.

Financial statements—Audit Committee checklist

Timing	Yes	No	Partially met
Are there mechanisms in place to ensure the Audit Committee is advised, on an ongoing basis throughout the year, of all significant risks and issues relating to the financial statements?			
Are arrangements in place to ensure the financial statements are available for audit and completed on a timely basis?			
Does the timetable for the preparation of the financial statements, including the timing of advice from the Audit Committee, allow sufficient opportunity for the Chief Executive/Board to meet their responsibilities?			
Are arrangements in place to ensure the entity's Annual Report is finalised and tabled in accordance with the agreed timetable?			

Presentation and disclosure	Yes	No	Partially met
Have any changes in the Finance Minister's Orders been identified and reflected in the entity's financial statements?			
Do the financial statements comply fully with all reporting and disclosure requirements?			

Accounting policies	Yes	No	Partially met
Are changes in the entity's accounting policies from previous reporting periods reflected in the financial statements where necessary?			
Are these changes reasonable and supportable?			
Have the financial statements been subject to appropriate quality assurance review designed to ensure they do not contain any material errors?			

Content of the financial statements	Yes	No	Partially met
Are the valuations, estimates and judgements made in the preparation of the financial statements reasonable and supportable?			
Is the materiality level applied in assessing whether the financial statements presented a true and fair view reasonable?			
Have any deficiencies or breakdowns in the control environment impacted on the financial statements?			
Have any significant or non-recurring transactions, events or adjustments impacted on the financial statements? Have these been dealt with appropriately?			
Has the financial impact of any outstanding legal or contractual matters been identified and reflected in the financial statements?			
Can all significant variations between budgeted and actual results be adequately explained?			

Management sign-off	Yes	No	Partially met
Are the financial statements supported by management sign-offs?			

Audit of the financial statements	Yes	No	Partially met
Can the assertions made in the management representation letter provided to external audit be fully supported?			
Were there any significant adjustments to the financial statements as a result of audit scrutiny?			
If yes, does this suggest improvements are required to management processes?			
Have any errors or discrepancies identified by external audit not been taken up into the financial statements? If yes, is the committee satisfied with the reasons for the financial statements not being amended?			
Is management's approach to accounting in respect of income, asset and liability recognition appropriate?			
Have there been any significant disagreements between management and the internal or external auditors? If yes, is the committee satisfied that the issues have been satisfactorily resolved?			
Will the audit opinion on the entity's financial statements be unqualified? If not, is the committee satisfied that management has taken all reasonable action to address the issues concerned?			
Has external audit identified significant control or other issues which require management attention? If yes, is the committee satisfied with remedial action proposed?			

Committee deliberations	Yes	No	Partially met
Are the financial statements consistent with the committee members own understanding and knowledge of the entity's financial operations and position?			
In the light of the entity's briefing and member's scrutiny of the accounts, are there any residual issues that require the committee to make further enquiries in relation to the financial statements?			

Annual report	Yes	No	Partially met
Are arrangements in place to ensure that financial information in the annual report is consistent with the signed financial statements?			

Financial statements—management checklist

Timetable	Yes	No	Partially met
Was the Audit Committee advised in a timely manner of all significant issues that could have impacted the financial statements?			
Was a timetable established for the preparation of the financial statements and does it comply with applicable reporting deadlines?			
Was the timetable agreed with external audit and other relevant stakeholders?			
Do you expect the timetable to be met?			

Preparation and disclosure	Yes	No	Partially met
Do the financial statements comply with the Finance Minister's Orders?			
Have the financial statements been reviewed against the appropriate PRIMA ¹ and other guidance material?			

Accounting policies	Yes	No	Partially met
Have any changes in the entity's accounting policies been reflected and disclosed in the financial statements where appropriate?			
Was external audit consulted in this process and do the external auditors agree that the disclosure is appropriate?			

Control over the financial statements	Yes	No	Partially met
Have any deficiencies or breakdowns in the control environment had a material impact on the financial statements? If yes, have appropriate remedial measures been taken?			
Have there been any communications from regulatory authorities concerning non-compliance with legislation which could impact on the financial statements? If yes, has remedial action been taken?			

¹ Illustrative financial statements produced annually by the Department of Finance and Deregulation for FMA Act and CAC Act entities.

Content of the financial statements	Yes	No	Partially met
Have there been any frauds or other irregularities during the year which could impact on the financial statements? If yes, have they been appropriately managed and rectified where possible?			
Has the financial impact of any legal matters been appropriately reflected in the financial statements?			
Has the financial impact of any significant or non-recurring transactions, events or adjustments been reflected in the financial statements?			
Have all factors that may materially affect the carrying value or classification of assets and liabilities been taken into account in preparing the financial statements?			
Are any significant valuations, estimates or judgements made in the preparation of the financial statements soundly based?			
Are the effects of the goods and services tax appropriately reflected in the carrying value of assets and liabilities at balance date?			
Is the valuation basis adopted for buildings, infrastructure, plant and equipment appropriate?			
Is the carrying value of assets supported by independent valuations where appropriate?			
Does satisfactory title to all assets exist and are there no liens or encumbrances on such assets?			
Has the remuneration of all senior executives been properly reported in the financial statements and does it include all required components of remuneration?			
Have the following been properly recorded and disclosed in the financial statements (where relevant): <ul style="list-style-type: none"> • related party transactions and related amounts receivable or payable, including sales, purchases, loans, transfers, leasing arrangements and guarantees? • applicable arrangements involving restrictions on cash balances, compensating balances and line-of-credit or similar arrangements? 			
<ul style="list-style-type: none"> • arrangements to repurchase assets previously sold? • material liabilities or contingent liabilities or assets including those arising under derivative instruments? • losses arising from the fulfillment of, or an inability to fulfill, any sale commitments or as a result of the purchase commitments for inventory quantities in excess of normal requirements or at prices in excess of prevailing market prices? 			

Content of the financial statements (cont.)	Yes	No	Partially met
Have all material commitments for the construction or acquisition of assets been disclosed in the financial statements?			
Have all events that occurred subsequent to balance date that require disclosure been included in the financial statements?			
Will the entity be able to pay its debts as and when they fall due?			

Audit of the financial statements	Yes	No	Partially met
Were the draft financial statements made available for audit in accordance with the agreed timetable?			
Were all financial and other records and information made available to external audit?			
Were there any significant adjustments to the financial statements as a result of the external audit?			
Have all disagreements with external audit concerning the financial statements been resolved?			
Has the management representation letter been completed and provided to external audit?			
Is an unqualified audit opinion expected on the entity's financial statements?			
If the audit opinion is expected to refer to any matters, do the financial statements also include reference to these matters?			

Annual report	Yes	No	Partially met
Are the financial statements contained in the annual report the final, audited statements as signed by the Chief Executive/Chair of the Board?			
Is the other financial information contained in the annual report consistent with the financial statements?			
Have all Ministerial directions been complied with and details included in the entity's annual report, where applicable?			
Are the entity's key performance results included in the entity's annual report?			

Name:

Position:

(to be completed by the most senior executive(s) responsible for the entity's financial statements)

Signed: Date: / /

Compliance requirements—Audit Committee checklist

Systems and procedures	Yes	No	Partially met
<p>Is there an appropriate framework in place to assist the entity to comply with its legislative and policy obligations? For example has management a good understanding of the entity's:</p> <ul style="list-style-type: none"> • legal¹ and policy obligations, in such areas as financial management, security, fraud, procurement, grants administration and cross-agency arrangements? • legal obligations, both federal and state, in such areas as Occupational Health and Safety, Privacy, Freedom of Information, Goods and Services Tax, Fringe Benefits Tax, and superannuation? • responsibilities to comply with International Conventions that may apply to the entity, such as the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.² 			

Responsibilities	Yes	No	Partially met
Are procedures in place which provide for any breach of legislation to be reported to senior management?			
Has responsibility for legislative and policy compliance been clearly assigned to individual managers?			
Does the entity have a culture which is supportive of, and encourages compliance with, all relevant laws, subordinate legislation and policy requirements?			

Certificate of Compliance	Yes	No	Partially met
Are arrangements in place, including management sign-offs, to provide advice on the entity's Certificate of Compliance/Compliance Report?			

¹ The main obligations placed on Chief Executives of FMA agencies and the Directors of CAC entities, under the FMA Act, CAC Act and the *Public Service Act 1999*, are set out on pages 99 to 102.

² In line with this convention, the Australian Parliament has enacted the *Criminal Code Amendment (Bribery of Foreign Public Officials) Act 1999*.

The APS Legislative Framework

The following are details of the main obligations placed on Chief Executives of FMA agencies, and Directors³ of CAC entities (other than companies) by the FMA Act, the CAC Act and the *Public Service Act 1999*.

This section is not a substitute for an understanding of the relevant legislation. It is an abstract that outlines the main obligations placed upon the Chief Executive (of an FMA entity) or Directors (of a CAC entity).

Requirements of a Chief Executive under the FMA Act 1997

The FMA Act provides for the proper use and management of public money, public property and other Commonwealth resources. It applies to all Departments of State, Departments of the Parliament and certain other bodies prescribed by regulation (called 'prescribed agencies').

Section	Requirement
Part 3 Section 10	Public money must be promptly banked, etc.
Part 3 Section 11	Public money not to be paid into non-official account.
Part 3 Section 12	Receipt and spending of public money by outsiders.
Part 3 Section 13	Money not to be withdrawn from official account without authority.
Part 3 Section 14	Misapplication or improper use of public money.
Part 3 Section 15	Liability for loss of public money.
Part 4 Section 26	Drawing rights required for payment etc. of public money.
Part 6 Section 41	Misapplication or improper use of public property.
Part 6 Section 42	Liability for loss etc. of public property.
Part 6 Section 43	Gifts of public property.
Part 7 Section 44	Promoting proper use etc. of Commonwealth resources.
Part 7 Section 45	Fraud control plan.
Part 7 Section 46	Audit Committee.
Part 7 Section 47	Recovery of debts.
Part 7 Section 48	Accounts and records.
Part 7 Section 49	Annual financial statements.
Part 7 Section 52	Chief Executive's instructions.
Part 7 Section 53	Chief Executive may delegate powers.
Part 8 Section 57	Audit of annual financial statements of Agency.

³ The Directors (who might not be called by this title) are the individuals who make up the governing body or authority.

Requirements of Directors under the CAC Act 1997

The CAC Act sets out the reporting and accountability requirements for Commonwealth authorities and Commonwealth companies. It provides for a number of classes of body (such as Government Business Enterprises and Statutory Marketing Authorities), which are defined in the Act and may have particular financial and reporting obligations.

It is usual for CAC Act bodies to be subject to additional legislation such as an Act establishing the body or the *Corporations Act 2001*. Part 3 of the CAC Act applies to authorities.

This attachment does not address Australian Government companies as these have particular requirements under the *Corporations Act 2001*.

Section	Requirement
Part 3 Section 8	Role of Auditor-General.
Part 3 Section 9	Directors must prepare annual report.
Part 3 Section 12	Audit of relevant subsidiary's financial statements.
Part 3 Section 13	Interim reports.
Part 3 Section 14	Estimates.
Part 3 Section 15	Responsible Minister to be notified of significant events.
Part 3 Section 16	Keeping responsible Minister and Finance Minister informed.
Part 3 Section 18	Banking and investment (authorities other than GBEs and SMAs).
Part 3 Section 19	Banking and investment (GBEs and SMAs).
Part 3 Section 20	Accounting records.
Part 3 Section 22	Care and diligence—civil obligation only.
Part 3 Section 23	Good faith—civil obligations.
Part 3 Section 24	Use of position—civil obligations.
Part 3 Section 25	Use of information—civil obligations.
Part 3 Section 26	Good faith, use of position and use of information—criminal offences.
Part 3 Section 27E	Responsibility for actions of directors delegate.
Part 3 Section 27F	Material personal interest—director's duty to disclose.
Part 3 Section 28	Compliance with General Policy Orders.
Part 3 Section 29	Activities of subsidiaries.
Part 3 Section 32	Audit Committee.
Schedule 1 Part 1	Contents of annual report.

Requirements relating to an Agency Head³ under the *Public Service Act 1999*

The main objectives of the Public Service Act are:

- to establish an apolitical public service that is efficient and effective in serving the Government, the Parliament and the Australian public;
- to provide a legal framework for the effective and fair employment, management and leadership of APS employees;
- to define the powers, functions and responsibilities of Agency Heads, the Public Service Commissioner and the Merit Protection Commissioner; and
- to establish rights and obligations of APS employees.

Section	Requirement
Part 3 Section 12	Agency Heads must promote APS Values.
Part 3 Section 14 (1)	Agency Heads are bound by the Code of Conduct in the same way as APS employees.
Part 3 Section 15 (1)	An Agency Head may impose sanctions on an APS employee in the Agency who is found to have breached the Code of Conduct.
Part 3 Section 16	Protection for whistleblowers.
Part 3 Section 17	Prohibition on patronage and favouritism.
Part 3 Section 18	An Agency Head must establish a workplace diversity program to assist in giving effect to the APS Values.
Part 4 Section 20 (1)	An Agency Head, on behalf of the Commonwealth, has all the rights, duties and powers of an employer in respect of APS employees in the Agency [as prescribed by the regulations].
Part 4 Section 21 (1)	The Prime Minister may issue general directions in writing to Agency Heads relating to the management and leadership of APS employees.
Part 4 Section 24 (1)	An Agency Head may from time to time determine in writing the remuneration and other terms and conditions of employment applying to an APS employee or APS employees in the Agency.
Part 4 Section 25	An Agency Head may from time to time determine the duties of an APS employee in the Agency, and the place or places at which the duties are to be performed.
Part 4 Section 29(1)	An Agency Head may at any time, by notice in writing, terminate the employment of an APS employee in the Agency. Refer to the <i>Fair Work Act 2009</i> for rules and entitlements.

³ Agency Head means (a) the Secretary of a Department or (b) the Head of an Executive Agency or (c) the Head of a Statutory Agency.

-
- Part 5 Section 42 (2)** Agency Heads and APS employees must comply with Commissioner's Directions.
-
- Part 7 Section 57 (1)** The Secretary of a Department, under the Agency Minister, is responsible for managing the Department and must advise the Agency Minister in matters relating to the Department.
-
- Part 7 Section 63 (1)** After the end of each financial year, the Secretary of a Department must give a report to the Agency Minister, for presentation to the Parliament, on the Department's activities during the year.
-
- Part 7 Section 63 (2)** The report must be prepared in accordance with guidelines approved on behalf of the Parliament by the Joint Committee of Public Accounts and Audit.
-
- Part 9 Section 70(1)** After the end of each financial year, the Head of an Executive Agency must give a report to the Agency Minister, for presentation to the Parliament, on the Agency's activities during the year.
-
- Part 11 Section 78 (7)** An Agency Head may, in writing, delegate to another person any of the Agency Head's powers or functions under this Act (other than this section).

Compliance requirements—management checklist

Governance and reporting arrangements	Yes	No	Partially met
Are the entity's legislative and policy obligations adequately documented, for example in Chief Executive's Instructions or similar documentation, and well understood by relevant managers and staff?			
Does management generally take steps to create and maintain a culture which encourages legislative (both federal and state), and policy compliance?			
<p>Are the entity's responsibilities for complying with particular legislative and policy requirements understood by the responsible individuals or specified business areas?</p> <p>Consider:</p> <ul style="list-style-type: none"> • occupational health and safety; • procurement; • Certificate of Compliance/Compliance Report; • privacy; • freedom of information; • environmental laws; • goods and services tax; • fringe benefits tax; • superannuation payments to certain contractors; • fraud; • security; • cross-agency arrangements; • grants; and • committing public money. 			
Are procedures in place that require any breaches of legislation or whole-of-government policies to be reported to senior management?			
Are relevant staff provided the opportunity to maintain and update their knowledge of the entity's legislative and policy obligations as part of their professional development plans?			
Do the entity's induction procedures include arrangements for new staff to be informed about their key legislative and policy responsibilities?			
Have the entity's responsibilities for lodging returns/data on fringe benefits tax, goods and services tax, fraud, security and occupational health and safety been met?			

Governance and reporting arrangements (cont)	Yes	No	Partially met
Does management require any instances of non-compliance with, for example, values, codes of conduct and anti-discriminative laws to be reported to senior management?			
Does the entity encourage relevant managers to seek legal advice to clarify/inform the entity's legal and policy responsibilities, particularly in situations where the risks associated with non-compliance are high?			
Does the entity have arrangements in place to identify, and comply with, relevant International Conventions, particularly the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.			

Certificate of compliance	Yes	No	Partially met
Have the entity's responsibilities for preparing the Certificate of Compliance/Compliance Report been met?			
Is the Certificate of Compliance/Compliance Report supported by management sign-offs?			

Name:

Position:

(to be completed by the most senior executive(s) responsible for legislative compliance in the entity)

Signed: Date: / /

Internal audit—Audit Committee checklist¹

Internal audit charter	Yes	No	Partially met
Are the responsibilities, access rights, reporting arrangements and standards of performance of the internal audit function detailed in an internal audit charter?			
Does the charter specify the professional standards that all internal audits must comply with?			
Does the charter afford internal audit a sufficient level of independence from management?			

Internal audit delivery model	Yes	No	Partially met
Is the committee satisfied with the service delivery model used to provide internal audit services?			
Does the tender process ensure that potential conflicts of interest are identified where the entity tenders for internal audit?			
Where the internal audit function is outsourced, are there appropriate mechanisms in place to effectively manage the contract with the internal audit service provider(s), including potential conflicts of interest?			

Annual internal audit coverage and audit plans	Yes	No	Partially met
How has the proposed internal audit coverage been developed? In particular, does the proposed coverage align with the entity's documented strategic and operational risks?			
Does the internal audit work plan support the independence of the internal audit function from the activities it audits?			
Does the prioritisation of proposed audit topics align with the entity's risk management plan and internal audit's own risk assessment?			
Does the audit work plan take into account past internal and external audit activity, findings and recommendations?			

¹ Further guidance in relation to internal audit is provided in the ANAO's Better Practice Guide *Public Sector Internal Audit*, September 2007. Available at <<http://www.anao.gov.au>>.

Annual internal audit coverage and audit plans (cont.)	Yes	No	Partially met
Is the internal audit plan an appropriate mix between compliance audits, performance improvement audits, and advisory services?			
Does the audit work plan adequately detail the objective, scope, resource requirements and timeframe for each of the audit topics proposed?			
Has the scope of proposed internal audit activity been impacted adversely by resource constraints? If yes, has the committee's views been communicated to the Chief Executive/Board?			
Has the scope of proposed internal audit activity been impacted adversely by resource constraints? If yes, has the committee's views been communicated to the Chief Executive/Board?			

Internal audit reports²	Yes	No	Partially met
Are internal audit reports clear and concise?			
Do internal audit reports satisfactorily address the agreed audit objectives?			
A practice adopted by some Audit Committees is to require internal audit to provide an annual report on the entity's control environment.			

Resources	Yes	No	Partially met
Does internal audit have sufficient resources to carry out its responsibilities, including completion of the approved internal audit plan?			
Is the committee satisfied with the level of skills and experience of the internal audit team?			
Is internal audit able to access specialist skills, where required?			

² A practice adopted by some Audit Committees is to require internal audit to provide an annual report on the entity's control environment.

Performance	Yes	No	Partially met
Does internal audit have a sufficient understanding of the entity's business?			
Does internal audit complete audit assignments in a timely manner and to a high quality?			
Does internal audit have effective quality control arrangements in place designed to ensure all work is undertaken to the required professional standards?			
Does internal audit maintain effective liaison with external audit?			
Does internal audit have a professional and cordial relationship with management?			

Private session with internal audit	Yes	No	Partially met
Has internal audit had full and unencumbered access to all entity records and information?			
Has internal audit received assistance and cooperation from staff and management?			
Are there any issues internal audit wishes to discuss with the committee?			
Does internal audit have any suggestions on how the work of the committee can be improved?			

Internal audit—checklist¹

Internal audit	Yes	No	Partially Yes
Do you consider that the Internal Audit Charter addresses all relevant matters?			
Have all audits undertaken by internal audit complied with the required professional standards?			
Has internal audit had full and unencumbered access to all entity information and staff in the conduct of its work?			
Has management been cooperative and provided timely responses to internal audit requests for information and audit reports?			
Do you consider that internal audit has sufficient resources, including access to external sources, to meet your responsibilities?			
Do you consider that internal audit has sufficient skills and expertise, including access to external assistance, to meet its responsibilities?			
Has internal audit had direct access to the Chief Executive when required?			
Does internal audit have sufficient support from senior management?			
Is there a program in place designed to improve the skills and knowledge of the internal audit team?			

Name:

Position: Head of Internal Audit

Signed: Date: / /

1. A model Internal Audit Charter is in Part 2 of the ANAO's Better Practice Guide *Public Sector Internal Audit*, September 2007.

External audit—Audit Committee checklist

Audit coverage	Yes	No	Partially met
Has external audit clearly articulated its proposed financial statement and performance audit coverage?			
Has external audit taken into account the internal audit coverage when establishing its audit coverage?			
Has external audit kept the committee regularly informed about the progress of audits? ¹			

Relationships	Yes	No	Partially met
Has external audit been receptive to suggestions from the committee about proposed audit coverage and the timing of audits?			
Has external audit maintained professional and cordial relations with the committee and entity management?			
Has external audit made a useful contribution to the deliberation of the committee?			

Private session with external audit representatives	Yes	No	Partially met
Has external audit had full and free access to all records and information required to conduct its audits?			
Has management displayed a constructive and professional approach to external audit staff?			
Has external audit been given the opportunity to make suggestions on how the work of the committee can be improved?			

¹ It would not be expected that the Audit Committee would be involved in reviewing Issues Papers relating to a performance audit by the Australian National Audit Office in view of their preliminary nature.

Other responsibilities—Audit Committee checklist

Parliamentary committee reports and recommendations	Yes	No	Partially met
Does the entity have processes in place to implement relevant parliamentary committee report recommendations that have been agreed by Government?			
Does the entity have processes which include assigning responsibility to review and action, as appropriate, parliamentary committee reports, external reviews of the entity and recommendations arising from these reports and reviews?			

Non-financial performance	Yes	No	Partially met
Does the entity have sufficient performance reporting arrangements in place to meet the requirements of the framework? If so, does the framework: <ul style="list-style-type: none"> • specify desired outcomes? • identify programs and associated deliverables? • identify measurable performance indicators? • have an annual reporting regime in place? 			
Has responsibility for implementing, monitoring and reporting of entity performance been clearly assigned to individual managers or business areas?			

Portfolio responsibilities	Yes	No	Partially met
Does the entity have mechanisms in place by which the Chief Executive/Board is informed of significant issues within the portfolio?			
Has responsibility for monitoring and reporting of significant issues relating to the portfolio been clearly assigned to individual managers or business areas?			

Name:

Position:

(to be completed by the most senior executive(s) responsible for these responsibilities in the entity)

Signed:

Date: / /

¹ In the context of the Outcomes and Programs Framework, entities refers to those bodies governed by the FMA Act or CAC Act that are required to report publicly in accordance with the framework.

Chair responsibilities—discussion checklist

This checklist could be used by the Chair of the Committee as an aide-memoire of matters that may benefit from discussion with the Chief Executive/Board.

Matters for discussion relating to the membership and responsibilities of the committee and its relationship with other governance and assurance mechanisms could usefully include:

- the expectations of the Chief Executive/Board in relation to membership of the committee and the skills and experience of committee members. In FMA agencies, this will include the desirable mix of external and management members;
- the breadth of the committee's responsibilities, particularly in relation to risk management including the expectations of the Chief Executive/Board relating to the review of the management of risk in high-risk projects and programs;
- the committee's relationship with, and potential review of, other governance committees and assurance mechanisms that exist within the entity;
- the potential responsibilities of the committee (of a portfolio department) in relation to other portfolio entities;
- the nature and frequency of discussions between the Chief Executive/Board and the Audit Committee Chair;
- the nature and frequency of formal and informal reporting to the Chief Executive/Board;
- the Chair's attendance at senior management meetings and other management forums, as an observer;
- the Chief Executive's/Board Chair's attendance at, and participation in, audit committee meetings; and
- the Chief Executive/Board's participation in assessing the performance of the committee.

Meeting preparation—checklist

This checklist has been prepared to assist the committee secretariat with the administrative arrangements for Audit Committee meetings.

Audit Committee meeting

DATE: / / LOCATION:

Audit Committee meeting	Action	Date
Minutes of meeting on/...../..... distributed to members.		
Attendance of members and observers confirmed.		
Members and observers' attendance confirmed for meetings.		
Room and required equipment booked for meeting (including 'members only' session).		
Draft agenda circulated to Chair and members.		
Agenda confirmed with Chair and members prior to meeting.		
Required papers collated including, as appropriate:		
• list of attendees and apologies;		
• minutes of previous meeting for review and confirmation;		
• action item list and status of implementation from previous meeting minutes;		
• relevant information/papers from management;		
• reports from internal audit;		
• status report on implementation of previous internal and external audit report recommendations;		
• reports from external auditor;		
• other papers/information as reflected in the Audit Committee forward meeting schedule.		
All papers marked with appropriate security classification.		
Agenda and papers distributed to members and attendees with papers () days prior to meeting.		
Draft minutes prepared and circulated to Chair within () week of meeting.*		
Draft minutes prepared and circulated to members within () weeks of meeting.*		

* The Audit Committee should consider how the minutes are to be distributed to ensure any confidential information is appropriately safeguarded.

Forward meeting schedule

The establishment of a forward meeting schedule is an effective way of managing the committee's business. It also assists in meeting administrative and co-ordination arrangements for the members, observers and other invitees in advance of each meeting.

The following format can be used by each committee to plan its forward meeting schedule.

Committees should carefully consider the number of meetings required to enable the committee to fully discharge its responsibilities

Audit Committee meeting	Meetings				
	Mar	Jun	Aug ¹	Oct	Dec
Risk Management					
Review whether management has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of the entity's financial and business risks, including fraud.*					
Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings.#					
Review the impact of the entity's risk management framework on its control environment and insurance arrangements.*					
Review whether a sound and effective approach has been followed in establishing the entity's business continuity planning arrangements, including whether disaster recovery plans have been tested periodically.*					
Review the entity's fraud control plan and satisfy itself the entity has appropriate processes or systems in place to capture and effectively investigate fraud related information.*					
Provision of strategic briefing/overview by the Chief Executive to Audit Committee members.#					
Receive briefing by management on strategic risks and other issues.#					

Key:

* Once a year

Periodically

** Ongoing event

¹ Special financial statement meeting

Internal controls	Meetings				
	Mar.	Jun.	Aug ¹	Oct	Dec
Review whether management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisors, is sound and effective.*					
Review whether management has in place relevant policies and procedures, including Chief Executive's Instructions or their equivalent, and that these are periodically reviewed and updated.*					
Determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with.*					
Review whether appropriate policies and procedures are in place for the management and exercise of delegations.#					
Consider how management identifies any required changes to the design or implementation of internal controls.#					
Financial statements					
Review the financial statements and provide advice to the Chief Executive/Board, (including whether appropriate action has been taken in response to audit recommendations and adjustments) ¹ and recommend their signing by the Chief Executive/Board.*					
Satisfy itself that the financial statements are supported by appropriate management sign-off on the statements and on the adequacy of the systems of internal control.*					
Review the processes in place designed to ensure that financial information included in the entity's annual report is consistent with the signed financial statements.*					
Satisfy itself that the entity has appropriate mechanisms in place to review and implement, where appropriate, relevant parliamentary committee reports and recommendations.*					
Satisfy itself that the entity has a performance management framework that is linked to organisational objectives and outcomes. ^{2*}					

1 The FMA Regulations for FMA agencies require the Audit Committee to provide advice to the Chief Executive on the preparation and review of financial statements of the agency.

2 It is recognised that in some entities this role is undertaken by an Executive Committee/Board.

Compliance with legislative and policy requirements	Meetings				
	Mar	Jun	Aug	Oct	Dec
Determine whether management has appropriately considered legal and compliance risks as part of the entity's risk assessment and management arrangements.*					
Review the effectiveness of the system for monitoring the entity's compliance with laws, including governance legislation, regulations and associated government policies.#					
Internal audit					
Review the internal audit coverage and Annual Work Plans, ensure these plans are based on the entity's risk management plan, and recommend approval of the plans by the Chief Executive/Board.*					
Advise the Chief Executive/Board on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit plan.#					
Coordinate, as far as practicable, audit programs conducted by internal and external audit and other review functions.#					
Review all audit reports and provide advice to the Chief Executive/Board on significant issues identified in audit reports (including where appropriate action is not taken) and action to be taken on issues raised including identification and dissemination of good practice.#					
Monitor management's implementation of internal audit recommendations.#					
Review the internal audit charter to ensure appropriate organisational structures, authority, access and reporting arrangements are in place.*					
Periodically review the performance of internal audit.#					
Provide advice to the Chief Executive/Board on the appointment of the Head of Internal Audit (in the case of in-house internal audit function), and/or recommend to the Chief Executive/Board the appointment of the internal auditor.#					
Audit Committee members-only session with internal audit.#					

External audit	Meetings				
	Mar	Jun	Aug ¹	Oct	Dec
Provide input and feedback on the financial statement and performance audit coverage proposed by external audit and provide feedback on the performance the audit services provided.#					
Review all external audit plans and reports in respect of planned or completed audits and monitor management's implementation of audit recommendations.#					
Provide advice to the Chief Executive/Board on action to be taken on significant issues raised in an external audit report or better practice guide.#					
Audit Committee members-only session with external audit.#					
Other responsibilities					
Review of the Audit Committee charter.*					
Receive and consider conflict of interest declarations.*					
Receive and consider reports from other committees within the entity's governance framework.#					
Review and approve the Audit Committee's annual report to the Chief Executive/Board summarising the committee's activities during the year.*					
Self-assessment of Audit Committee performance.*					

Self-assessment questionnaire

This questionnaire has been prepared as a guide to illustrate the type of questions against which the performance of the Audit Committee might be assessed and is aimed at assisting the committee as a whole to undertake a self-assessment of its own performance.

The questionnaire includes a large number of questions and should be tailored by the Audit Committee to meet its own requirements. Generally it would not be expected that all questions would be applicable each time an assessment was undertaken. It may be completed by the committee as a whole or by each member individually, and then collated by the committee secretariat. The Chair of the Audit Committee and members may wish to weight certain aspects of the self-assessment more than others.

The questionnaire should ideally be formally completed by the committee or, alternatively, could be used as a basis for discussion to identify areas for improvement or development with relevant stakeholders. The relevant stakeholders would normally include the Chief Executive and/or Chair of the Board, internal audit, external audit and senior management of the entity.

Regardless of the method employed, any assessment of the Audit Committee's performance should be consistent with the committee's charter. The results of the self-assessment and any resultant action plans should be provided to the Chief Executive or Chair of the Board.

Rating scale: 1 = Strongly disagree 5 = Strongly agree

Audit Committee meeting	Rating scale				
	1	2	3	4	5
Does the charter articulate the committee's responsibilities and provide the committee with the necessary authority to fulfil them?					
Does the charter facilitate and support the effective operation of the committee?					
During the past 12 months, did the committee adequately address all of its responsibilities as detailed in its charter?					
If not, are arrangements in place to rectify this in the next 12 months?					
Comments/suggestions for improvement					
<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>					

Skills and experience	Rating scale				
	1	2	3	4	5
Does the mix of skills on the committee allow it to effectively perform its assigned responsibilities?					
Has the committee been able to analyse and critically evaluate information presented to it by management?					
Is there a clear process that committee members can follow to access advice and/or training to improve their skills and knowledge?					
Is the committee's overall financial literacy adequate in the light of its responsibilities?					
Has the committee responded appropriately or taken the required action where significant risks and/or control breakdowns have been brought to its attention?					
Does the committee have access to appropriate internal and/or external resources to assist it in understanding and dealing with complex and difficult matters on a timely basis?					
Has the committee shown an openness to new ideas and different views in its deliberations?					
Has the committee been sufficiently probing and challenging in its deliberations?					
Comments/suggestions for improvement					
<p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p> <p>.....</p>					

Meeting administration and conduct	Rating scale				
	1	2	3	4	5
Has the committee had the appropriate number of meetings to properly discharge its duties?					
Does the agenda-setting process allow for all necessary items to be included?					
Is the agenda structured to allow sufficient time to discuss the most complex and critical issues?					
Does the committee receive agenda items and supporting papers in sufficient time prior to meetings?					
Are Audit Committee members given the opportunity to be briefed prior to meetings? If so, are these briefings useful?					
Are the committee agenda and supporting papers of sufficient clarity and quality to make informed decisions?					
Are Audit Committee meetings well run and productive?					
Are Audit Committee minutes appropriately maintained and of good quality?					
Comments/suggestions for improvement					
<p>.....</p> <p>.....</p> <p>.....</p>					

Chief Executive/Board communications	Rating scale				
	1	2	3	4	5
Are Audit Committee communications to the Chief Executive/Board about the committee's deliberations and activity of an appropriate quality?					
Is the Chief Executive/Board well informed, on a timely basis, of the committee's deliberations and activity?					
Comments/suggestions for improvement					
<p>.....</p> <p>.....</p> <p>.....</p>					

Internal Audit	Rating scale				
	1	2	3	4	5
Did the committee appropriately review and approve the internal audit plan?					
Did the committee consider the adequacy of internal audit resources?					
Did the committee appropriately review and approve any significant changes to the internal audit plan?					
Did the committee appropriately consider the performance of internal audit?					
Does the committee address its responsibilities in respect of its review and consideration of internal audit reports and identified issues?					
Did the committee review the internal audit charter to ensure that appropriate structures, authority, access and reporting arrangements are in place?					
Comments/suggestions for improvement					
<p>.....</p> <p>.....</p> <p>.....</p>					

External Audit	Rating scale				
	1	2	3	4	5
Did the Audit Committee appropriately consider and understand the external audit plan?					
Did the committee review external audit reports and management letters and consider management responses to findings and recommendations?					
Did the committee provide input and feedback on external audit coverage and performance?					
Comments/suggestions for improvement					
<p>.....</p> <p>.....</p> <p>.....</p>					

Effectiveness considerations	Rating scale				
	1	2	3	4	5
In which of the areas outlined below has the audit committee added value to the organisation?					
• the organisation's policies and practices?					
• the organisation's risk management?					
• the organisation's control environment?					
• the organisation's legislative and policy compliance?					
• the organisation's external accountability?					
Comments/suggestions for improvement					
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Name:

Position: Chair of the Audit Committee (on behalf of the committee)

Signed: Date: / /