



Royal Australian Mint Audit and Risk Committee Charter

The Chief Executive of the Royal Australian Mint has established the Audit and Risk Committee in accordance with section 45(1) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

Functions

Section 17(2) of the *Public Governance, Performance and Accountability Rule 2014* (the Rule) establishes mandatory functions for audit committees:

Functions of the Audit Committee

- 1) *The accountable authority of a Commonwealth entity must, by written charter, determine the functions of the Audit Committee for the entity.*
- 2) *The functions must include reviewing the appropriateness of the accountable authority's:*
 - a) *financial reporting; and*
 - b) *performance reporting; and*
 - c) *system of risk oversight and management; and*
 - d) *system of internal control**for the entity.*

Consistent with subsection 17(2) of the Rule, the Chief Executive has determined that the functions of the Audit and Risk Committee are to review and give independent advice about the appropriateness of the Mint's:

- a) **financial reporting** – including reviewing the annual audited financial statements and related management representations, and recommending the signing of those statements
- b) **performance reporting** – including the framework for developing and reporting key performance indicators and the Mint's annual performance statement
- c) **system of risk oversight and management** – including whether:
 - i. the Mint has a sound enterprise risk management framework and associated processes for effective identification and management of its business and financial risks, including those associated with individual projects and program implementation activities
 - ii. the process for developing and implementing the Mint's fraud control arrangements is sound, and the Mint has appropriate processes and systems in place to detect, capture and effectively respond to fraud risks.
- d) **system of internal control** – including consideration of:

- i. the Mint’s overall control environment, as reflected in its governance, risk management and compliance arrangements
- ii. internal audit resourcing and coverage in relation to the Mint’s key risks, and recommending approval of the Audit Work Programme by the Chief Executive
- iii. internal and external audit reports, providing advice to the Chief Executive about significant issues identified, and monitoring the implementation of agreed actions.

The Committee’s role in relation to risk management will be complementary to its prescribed functions under the PGPA Act in respect of Audit Committees. This will entail ongoing consideration of the ways in which risks are managed by those with executive responsibilities.

The Committee will maintain a forward work plan outlining the matters it will consider during any given year, noting that it may consider other or additional matters in response to changes in the Mint’s operations and environment.

Authority

The Chief Executive authorises the Committee, within the scope of its role and responsibilities, to:

- Obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- Discuss any matters with the external auditor, internal audit service provider or other external parties (subject to confidentiality considerations);
- Request the attendance of any employee, including the Chief Executive, at committee meetings; and
- Obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the Royal Australian Mint’s expense.

Membership

Section 17 of the Public Governance, Performance and Accountability Rule 2014 (the Rule) establishes the following requirements in relation to membership of audit committees:

Membership of the Audit Committee

- 1) *The Audit Committee must consist of at least three persons who have appropriate qualifications, knowledge, skills or experience to assist the Committee to perform its functions.*
- 2) *If the entity is a non-corporate Commonwealth entity:*
 - a) *all of the members of the Audit Committee must be persons who are not officials of the entity; and*
 - b) *a majority of the members must be persons who are not officials of any Commonwealth entity.*

Committee members will be appointed for an initial period determined by the Chief Executive. Members may be re-appointed for further periods after consideration of their performance by the Chief Executive.

Consistent with subsection 17(3) of the Rule the members, taken collectively, will have a broad range of knowledge, skills and experience relevant to the operations of the Mint, including its

manufacturing and information technology environment. All members should be conversant with financial management reporting and at least one member of the Committee should have accounting or related financial management experience and/or qualifications, and a comprehensive understanding of accounting and auditing standards.

The Chief Executive will appoint the Chair of the Committee. The Chair may also be a member of the Advisory Board, but must not be the Chair of the Advisory Board.

The Chief Executive may, in consultation with the Chair, appoint up to two senior internal advisers to attend meetings of the Committee.

Representatives from the ANAO and external providers of internal audit services will not be members of the Committee, however may attend relevant committee meetings (in whole or in part) as observers, as determined by the Chair.

The committee will meet separately with both the internal and external auditors at least once a year.

The Chief Executive may be invited to attend committee meetings to participate in specific discussions or provide strategic briefings to the Committee.

Independence

The Audit and Risk Committee is directly accountable to the Chief Executive for the performance of its functions.

The Audit and Risk Committee has no executive powers in relation to the operations of the Mint. The Audit and Risk Committee may only review the appropriateness of particular aspects of those operations, consistent with its functions, and advise the Chief Executive accordingly.

Responsibility for the appropriateness of the Mint's financial reporting, performance reporting, system of risk oversight and management, and system of internal control rests with the Chief Executive and officials of the Mint.

Members with a conflict of interest will notify the Audit and Risk Committee as soon as these issues become apparent. Any member with a conflict of interest will absent themselves from discussions about relevant matters.

Meetings

The Committee will meet at least four times per year, and more often if required. Special meetings may be held to review the Mint's annual financial statements and performance statements or to meet other specific responsibilities of the Committee.

The Chair will call a meeting if requested to do so by the Chief Executive, and may call a meeting if requested by another Committee member.

A quorum for any Audit and Risk Committee meeting will be two members, one of whom must be the Chair.

Reporting

The Chair will report to the Chief Executive after each meeting. Any matter deemed of sufficient importance will be reported to the Chief Executive immediately.

In the event the Chair is a member of the Advisory Board, the Chair may also report on the Audit and Risk Committee's activities to that board from time to time.

The Committee will, as often as necessary, and at least once a year, report formally to the Chief Executive on its operation and activities during the year.

Secretariat

The Chief Executive will provide resources to provide secretariat support to the Committee. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, after approval from the Chair, at least one week before the meeting, and ensure the minutes of the meetings are prepared and maintained. Minutes must be approved by the Chair and circulated within two weeks of the meeting to each member and committee observers, as appropriate.

Conflicts of interest

Once a year, the Mint will request Audit and Risk Committee members to provide written declarations as to any potential or actual conflicts of interest they may have in relation to their responsibilities.

Audit and Risk Committee members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

Review of performance

The Chair of the Audit and Risk Committee will initiate a review of the performance of the Committee at least once every two years. The outcomes of this assessment will be reported to the Chief Executive.

Review of the 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.