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Contact	Company Secretary

## Audit, Risk and Compliance Committee Charter

### 1. Purpose of this Charter

This Charter outlines the framework within which the Audit, Risk & Compliance Committee (**ARCC**) will operate including the role, responsibilities and powers of the ARCC.

In developing the ARCC charter (**Charter**), relevant legislation, regulations and guiding frameworks have been considered<sup>1</sup>.

### 2. Role of the Committee

The Infrastructure Australia Board (**Board**) has established the ARCC<sup>2</sup> as a subcommittee of the Board, to assist the Board in discharging its responsibilities under the Infrastructure Australia Act, PGPA Act and Rules, and its corporate governance obligations.

The ARCC is not responsible for the executive management of these functions. The ARCC will engage with management in a constructive and professional manner in discharging its responsibilities and formulating its advice to the Board.

The ARCC will also act as a forum for communication between the Board, management and relevant auditors and independent advisers.

### 3. Responsibilities of the Committee

In assisting the Board to fulfill its responsibilities, the responsibilities and duties of the ARCC are as follows:

- To understand Infrastructure Australia’s business and ensure:
  - they are provided with sufficient information from management to review the relevant systems, structure, policies and processes to be satisfied about the reliability and integrity of financial and accounting information, reporting obligations and internal control structures;
  - management has in operation relevant policies and procedures— including Accountable Authority Instructions, delegations, a business continuity management plan, or bullying and harassment policies, and that these are periodically reviewed and updated;
  - management has taken steps to embed a culture that promotes the proper use and management of public resources and is committed to ethical and lawful conduct.

<sup>1</sup> Including:

- Infrastructure Australia Act 2008 (Infrastructure Australia Act)
- Section 45 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act)
- Public Governance, Performance and Accountability Rule (Rules) - Rule section 17 - Audit committee for Commonwealth entities
- Resource Management Guide No. 202 Audit committees
- Department of Finance - Model charter for audit committee

<sup>2</sup> in compliance with section 45 PGPA Act and rule 17 of the Rules

- To review and provide advice to the Board about infrastructure Australia’s financial reporting for the entity including, financial account keeping, annual financial statements, information (other than annual financial statements) requested by Finance in preparing the Australian Government’s consolidated financial statements, including the supplementary reporting package and process and systems for preparing financial reports and information;
- To review the performance of Infrastructure Australia:
  - within the Annual Report to ensure Infrastructure Australia’s compliance with the requirements of the PGPA Act s39;
  - by reviewing and determining the effectiveness of systems for monitoring Infrastructure Australia’s compliance with applicable laws, regulations and associated government policies.
  - through an internal audit program that takes into account Infrastructure Australia’s key risks, setting an associated budget and providing advice to the Board on significant issues identified in internal audit reports and recommending action on significant matters—including identification and dissemination of information on good practice
- To ensure enterprise-wide risk oversight and management including oversight of associated internal controls for effective identification and management of Infrastructure Australia’s risks and to satisfy itself that Infrastructure Australia has adequate processes to detect, capture and effectively respond to risks.
- To engage with the ANAO and their designated external auditors in relation to the financial statement and performance audit coverage and act as a forum for communication between the Board, ANAO and Infrastructure Australia’s management;
- To receive and review reports on findings and recommendations of the ANAO and associated responses and implementation by management and produce advice to the Board on action to be taken on significant issues raised in relevant ANAO reports and practice guides.
- As requested by the Board the ARCC will perform other activities related to this Charter and institute and oversee special investigations.

#### 4. Authority of the Committee

The Board authorises the ARCC to undertake the tasks reasonably necessary to perform its responsibilities as outlined in this Charter. All ARCC decisions must be referred to the Board for approval other than decisions relating to:

- ARCC authority to determine the amount of funds not immediately required under the PGPA Act and the Policy for Management of Relevant Money.
- ARCC authority to invest funds in a term deposit, roll over an investment and monitor all investments in compliance with the PGPA Act and the Policy for Management of Relevant Money
- Scope and coverage of the Internal audit program, excluding approval of the appointment of the internal auditor, but including:
  - coverage that takes into account Infrastructure Australia’s key risks, internal audit work plan and internal audit budget; and
  - Review all audit reports and advising the Board on significant issues identified in audit reports and recommended actions to address significant issues raised.
- ARCC authority to approve IA policies within the remit of the ARCC as recorded in IA Policy Register.<sup>3</sup>

<sup>3</sup> Delegation of the Board dated 16 September 2022.

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

- obtain any information it requires from staff of Infrastructure Australia or external parties (subject to any legal obligation to protect information);
- request the attendance of Board members or staff of Infrastructure Australia at ARCC meetings; and
- obtain legal or other professional advice at Infrastructure Australia's expense, as considered necessary to meet the ARCC's responsibilities.

## 5. Appointment and Membership

The ARCC comprises three or more members including the ARCC chair (**Chair**) and are appointed by the Board for a term that is no longer than their current term as a Board member. Members can be reappointed though member rotation is encouraged. Wherever possible the Board will ensure that changes in ARCC membership are staggered to maintain continuity.

The Chair of the Board, the CEO, and management must not be members of the ARCC but may attend ARCC meetings as observers.

The ARCC may appoint a deputy to act as chair in the absence of the Chair.

Members must have appropriate qualifications, knowledge, skills and experience in financial and performance reporting, internal controls, risk oversight and management to assist the ARCC to perform its functions and to keep abreast of contemporary developments and leading practices in relation to its functions and responsibilities.

## 6. Meetings

The ARCC must hold at least four meetings a year. Members are expected to attend all meetings in person, by video conference or by teleconference.

The Chair may, if they consider it appropriate, convene additional meetings:

- if requested by a member of the Board, any ARCC member, senior management, internal auditors or the ANAO.
- when necessary to meet the responsibilities of the ARCC.

The Chair, in conjunction with the CEO or their designate, will prepare a forward agenda each year designating the work to be completed at each meeting to ensure the responsibilities laid out in the Charter are addressed. The ARCC will approve the forward agenda at its first meeting each year.

A quorum consists of a majority of the ARCC members. The quorum must be in attendance at all times during the meeting, and must include the Chair.

At an ARCC meeting all decisions will be by majority vote of members of the ARCC in attendance.

ARCC members can approve decisions out of session if the majority of ARCC members entitled to vote on the decision respond in written form in favour of the decision.

## 7. Reporting

The Chair must report to the Board at the next Board meeting following a meeting of the ARCC on any matters that the ARCC considers should be brought to the attention of the Board.

The Chair, on behalf of the ARCC, must at least once each year:

- provide a statement to the Board whether, in their view, Infrastructure Australia's:

- annual financial statements and additional entity information required by Finance or the ANAO comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance;
- financial reporting as a whole;
- annual performance statements and performance reporting as a whole;
- system of risk oversight and management as a whole; and
- system of internal controls,

are appropriate for Infrastructure Australia, with reference to any specific areas of concern or suggestions for improvement

- confirm to the Board that all responsibilities of the ARCC outlined in the Charter have been carried out.

The Chair must report to the Board on any matter requested by the Board from time to time.

## 8. Conflicts of Interest

ARCC members must declare and manage any material personal interests they may have in relation to their responsibilities as a member of the ARCC in accordance with the Conflicts of Interest Policy.

## 9. Company Secretary

The Company Secretary or their designate is the committee Secretary. The Secretary must ensure that:

- The agenda for each meeting is approved by the ARCC Chair and papers are circulated at least 7 days prior to a meeting, unless otherwise approved by the Chair, to ARCC members;
- The ARCC members are notified of the date, time, place and video conference or teleconference arrangements for each meeting;
- Minutes of each meeting are prepared, reviewed by the ARCC Chair, circulated to members and signed by the ARCC Chair; and
- A register is maintained with the agenda, papers and minutes of each ARCC meeting and all declarations of material personal interests provided by members to the Board in respect of their responsibilities as members of the ARCC.

## 10. Committee Review

The ARCC will:

- Initiate a self-assessment of the ARCC's performance against this Charter on an annual basis, seeking input the ARCC considers relevant, including from the Board, ARCC members, management, internal auditors and the ANAO;
- Review this Charter at least once every year and provide recommendations to the Board if any changes are required; and
- Report to the Board on the evaluation of its performance and review of the Charter.