

Office of the Official Secretary to the Governor-General
Audit Committee Charter
March 2019

Overview and Context

The Office of the Official Secretary to the Governor-General (the Office) is a non-corporate Commonwealth entity established in 1984 by amendment to the Governor-General Act 1974 to support the Governor-General in the fulfilment of his/her duties and responsibilities.

The Office has four branches; Executive, Strategic Engagement, People & Services, and Honours and Awards which all report through the Deputy Official Secretary to the Official Secretary in his capacity as Chief Executive Officer.

The Executive area together with the Strategic Engagement branch provide direct support to the Governor-General by planning, organising and managing a forward program of national and international engagements; advising on contextual matters, public communications and other issues; and drafting briefings, speeches and messages. Management of household operations and representational activities at Government House and Admiralty House also fall within the responsibilities of the two branches. Other responsibilities include responding to a large volume of communications from the public and handling visits to Government House by thousands of guests and school children each year.

The People and Services branch provides corporate services, governance advice, human resources and information technology support for the Office. The branch also manages the official residences, grounds and assets and coordinates physical security.

The Honours and Awards branch receives and researches nominations and recommendations for honours and awards for Australians who provide distinguished service to the community and the nation. The branch supports two Councils and one Committee which make recommendations to the Governor-General on honours matters. It also undertakes Office reception, records management and anniversary correspondence roles.

A separate finance team is headed by a Chief Financial Officer (CFO) which in addition to being responsible for ensuring the Office's compliance with the finance law also provides advice on procurement, tax, and governance related matters.

A more detailed understanding of the Office's operations, objectives, culture, risks, and operating environment can be gained from reviewing the latest Portfolio Budget Statements (PBS), corporate plan, annual report, Risk Management Plan and Fraud Control Plan.

The Official Secretary as the Office's accountable authority must establish the Office's Audit Committee (the committee) in accordance with [section 45](#) of the *Public Governance, Performance and Accountability Act (PGPA) 2013* read along with [section 17](#) of the *Public Governance, Performance and Accountability Rule 2014 (PGPA Rule)*.

This charter sets out the Committee's objectives; authority; composition and tenure; roles, responsibilities and relationships; reporting; and administrative arrangements.

1. Objective

The objective of the Committee is to provide independent advice to the Official Secretary, in the context of and with due consideration of the Office's primary objectives, risks, culture and its operating environment and as required by [section 17](#) of the PGPA Rule, on the appropriateness of the Office's:

- (a) financial reporting
- (b) performance reporting
- (c) system of risk oversight and management; and
- (d) system of internal control.

The Committee provides a forum for communication between the Official Secretary, senior managers of the Office and the internal auditors and the Australian National Audit Office as external auditors to the Office.

2. Authority

The Official Secretary authorises the Committee, within the scope of its role and responsibilities, to:

- 2.1 obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
- 2.2 discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- 2.3 request the attendance of any employee, including the Official Secretary, at committee meetings; and
- 2.4 obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the Office's expense.

3. Composition and tenure

The Committee must be constituted of at least three persons. In accordance with [section 17](#) of the PGPA Rule, the majority of members of the Committee must be persons who are not officials of the entity. The Chair of the Committee must be an external member. The Official Secretary appoints the external members of the Committee.

The Deputy Official Secretary (including any person acting in the role of the Deputy Official Secretary) will be a member of the Committee. The external members will be

appointed for an initial period not exceeding three years after which they will be eligible for extension or re-appointment, after a formal review of their performance.

The Official Secretary and CFO may not be members of the Committee, but may attend meetings as observers.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Office and role of the Committee. At least one member of the Committee will have accounting or related financial management experience with a broad understanding of accounting and auditing standards in a public sector environment.

4. Roles and responsibilities

The Committee has no executive powers, except those delegated to it by the Official Secretary or expressly provided by Commonwealth Laws.

The Committee is directly responsible and accountable to the Official Secretary for the exercise of its responsibilities. In carrying out its responsibilities, the Committee at all times recognises that primary responsibility for management of the Office rests with the Official Secretary.

The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the Official Secretary from time to time.

4.1 Financial Reporting

The Committee is required to review the appropriateness of the Office's financial reporting by reviewing compliance with the mandatory requirements of the PGPA Act, the PGPA Rule, the Accounting Standards and consider advice in supporting guidance.

- a) The Committee will review the appropriateness of the Office's:
 - annual financial statements
 - information (other than annual financial statements) requested by the Department of Finance in preparing the Australian Government's consolidated financial statements, including the supplementary reporting package
 - processes for preparing, and record keeping of, financial reporting information, and
 - processes to allow the Office to stay informed throughout the year of any changes or additional requirements in relation to the financial reporting.
- b) The Committee will provide written advice to the Official Secretary, as to whether:
 - the annual financial statements, in the Committee's view, comply with the PGPA Act, the PGPA Rules and the Accounting Standards and supporting guidance
 - additional information (other than financial statements) required by Department of Finance for the purpose of preparing the Australian Government consolidated

financial statements (including the supplementary reporting package) comply with the PGPA Act, the PGPA Rules and the Accounting Standards and supporting guidance, and

- the Office’s financial reporting as a whole is appropriate, with reference to any specific areas of concern or suggestions for improvement.

4.2 Performance reporting framework

- a) The Committee is required to assess the appropriateness of the Office’s performance reporting by reviewing compliance with the mandatory requirements of the PGPA Act, the PGPA Rule, and consider advice in the Commonwealth performance framework and supporting guidance.

The Committee will review the appropriateness of the Office’s systems and procedures for assessing, monitoring and reporting on achievement of the Office’s performance. In particular, the Committee will consider whether the Office’s:

- Portfolio Budget Statements and corporate plan contain appropriate details of how the Office’s performance will be measured and assessed
- approach to measuring its performance throughout the financial year against the performance measures included in its Portfolio Budget Statements and corporate plan is appropriate and in accordance with the Commonwealth performance framework, and
- annual performance statements, for inclusion in the Office’s annual report, reflect the achievement of performance measured during the financial year.

- b) The Committee will provide written advice to the Official Secretary as to whether:

- the Office’s performance reporting requirements, in the committee’s view, are appropriate and comply with the PGPA Act, the PGPA Rules and supporting guidance, and
- the Office’s performance reporting as a whole is appropriate, with reference to any specific areas of concern or suggestions for improvement.

4.3 Risk oversight and management

The Committee is required to assess the appropriateness of the Office’s system of risk oversight and management by gaining sufficient understanding of the Office’s risk appetite and operating environment and reviewing compliance with the mandatory requirements of the PGPA Act, the PGPA Rule, the Commonwealth Risk Management Policy, and consider advice in supporting guidance. A summary of the Office’s key risk categories is included in the annual [corporate plan](#).

- a) The Committee will periodically review the appropriateness of the Office’s:
- risk management policy framework and the necessary internal controls for the effective identification and management of the Office’s risks, in keeping with the Commonwealth Risk Management Policy

- approach to managing the Office’s key risks, including existing and potential controls and whether management has appropriately considered legal and compliance risks as part of the Office’s risk assessment and management arrangements; and
 - process for developing and implementing the Office’s fraud control arrangements consistent with the fraud control framework, and satisfy itself that the Office has adequate processes for detecting, capturing and effectively responding to fraud risks, and
 - articulation of key roles and responsibilities relating to risk management and adherence to them by officials of the Office.
- b) The committee will provide annual written advice to the Official Secretary as to whether:
- the Office’s risk management and fraud control frameworks, in the Committee’s view, are appropriate and comply with the PGPA Act, the PGPA Rules, and supporting guidance, and
 - the Office’s system of risk oversight and management as a whole is appropriate, with reference to any specific areas of concern or suggestions for improvement.

4.4 Internal Control framework

The Committee is required to review the appropriateness of the Office’s systems of internal control by gaining sufficient understanding of the Office’s operating context, governance requirements and reviewing compliance with the mandatory requirements of the PGPA Act, the PGPA Rule and consider advice in supporting guidance.

- a) The Committee will periodically review the appropriateness of the Office’s:
- internal control framework by considering:
 - management’s approach to maintaining an effective internal control framework and whether appropriate processes are in place for assessing compliance with key policies and procedures, and
 - whether management has in operation current and relevant policies and procedures—such as the Official Secretary’s Instructions, delegations, business continuity plan, or human resource management policies.
 - legislative and policy compliance by considering the effectiveness of systems for monitoring the Office’s compliance with relevant laws, regulations and associated government policies, including the Office’s compliance with International Conventions, particularly the OECD Convention on Combating Bribery of Foreign Public Officials in International Business Transactions and the Office’s compliance with the finance law.
 - security compliance by considering management’s approach to maintaining an effective internal security system (including ICT security policies and the Protective Security Policy Framework).

The Committee will provide annual written advice to the Official Secretary as to whether the Office's system of internal control as a whole is appropriate, with reference to any specific areas of concern or suggestions for improvement:

The additional roles and responsibilities of the Committee include:

4.5 Internal audit

The Committee will:

- 4.5.1 act as a forum for communication between the Official Secretary, senior management and internal and external audit
- 4.5.2 review the proposed internal audit coverage, ensure the coverage is aligned with the Office's key risks, and recommend approval of the Annual Audit Plan by the Official Secretary
- 4.5.3 advise the Official Secretary on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit plan
- 4.5.4 review all audit reports and provide advice to the Official Secretary on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice
- 4.5.5 monitor management's implementation of internal audit recommendations, and
- 4.5.6 periodically review the performance of internal audit.

4.6 External audit

The Committee will:

- 4.6.1 provide input and feedback on the financial statements and performance audit coverage proposed by external audit and provide feedback on the audit services provided
- 4.6.2 review all planned or completed audits and monitor management's implementation of audit recommendations, and
- 4.6.3 provide advice to the Official Secretary on action taken on significant issues raised in relevant external audit reports.

4.7 Governance arrangements

When requested by the Official Secretary, the Committee will periodically review the Office's governance arrangements or elements of the arrangements as determined by the Official Secretary, and suggest improvements, where appropriate, to the Official Secretary.

4.8 Other responsibilities

Parliamentary committee reports and external reviews:

- 4.8.1 The Committee will satisfy itself that the Office has appropriate mechanisms in place to review and implement, where appropriate, relevant Parliamentary Committee reports and external reviews, and recommendations arising from these reports and reviews.

5. Sub-committees

The Committee may establish one or more sub-committees to assist the committee in meeting its responsibilities.

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

- 5.1 a member of the full committee must be appointed as Chair of the sub-committee
- 5.2 the membership of sub-committees may extend beyond members of the committee if additional expertise on particular matters is required
- 5.3 minutes of all meetings of sub-committees are taken, distributed promptly to all members of the committee, and tabled for discussion at the next committee meeting, and
- 5.4 important issues that may require consideration by the committee are brought to the attention of the Committee Chair immediately following a sub-committee meeting.

6. Responsibilities of members

Members of the committee are expected to understand and observe the legal requirements of the PGPA Act and its rules. Members are also expected to:

- 6.1 contribute the time needed to study and understand the papers provided
- 6.2 apply good analytical skills, objectivity and good judgment, and
- 6.3 express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of enquiry.

7. Reporting

The Committee will as regularly as required by matters covered under this charter, but at least once a year, report to the Official Secretary on its operation and activities during the year.

The annual report to the Official Secretary should include:

- 7.1 express a specific view and a declaration of the audit committee's opinion in relation to the appropriateness of matters required by [section 17](#) of the PGPA Rule
- 7.2 a summary of the work the Committee performed to fully discharge its responsibilities during the preceding year
- 7.3 a summary of the Office's progress in addressing the findings and recommendations made in relevant internal, external and Parliamentary Committee reports, and
- 7.4 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 Official Secretary any other matter it deems of sufficient importance to do so, including providing updates on relevant matters arising at each Committee meeting. In addition, at any time an individual committee member may request a meeting with the Official Secretary.

8. Administrative arrangements

8.1 Meetings

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

The Chair is required to call a meeting if requested to do so by the Official Secretary, or another committee member.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all of the Audit Committee's responsibilities as detailed in this charter.

8.2 Attendance at meetings and quorums

A quorum will consist of a majority of committee members (i.e. two members). With the Chair's agreement or in their absence, the Deputy Official Secretary may act as Chair for a meeting or part of a meeting. Meetings can be held in person, by telephone or by video conference.

External Audit and Internal Audit representatives will be invited to attend each meeting, unless requested not to do so by the Chair of the Committee. The Committee may also request the CFO or other employees attend committee meetings or participate for certain agenda items.

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

8.3 Secretariat

The OOSGG finance team will 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.

8.4 Conflicts of interest

Once a year the Committee members will provide written declarations to the Official Secretary stating they do not have any conflicts of interest that would preclude them from being members of the Committee.

The 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. Where members or observers at the Committee meetings are deemed to have a real, or perceived, conflict of interest it may be appropriate that they are excused from Committee deliberations on the issue where a conflict of interest exists.

8.5 Induction

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

8.6 Assessment arrangements

The Chair of the Audit Committee, in consultation with the Official Secretary, 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 Official Secretary) with appropriate input sought from the Official Secretary, Committee members, senior management, the internal and external auditors, CFO, and any other relevant stakeholders, as determined by the Official Secretary.

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

8.7 Review of charter

At least once a year the Committee will review this charter. This review will include consultation with the Official Secretary. Any substantive changes to the charter will be recommended by the Committee and formally approved by the Official Secretary.

9. Related Documents

- OOSGG Corporate Plan
- OOSGG Risk Management Plan
- OOSGG Fraud Control Plan
- OOSGG Annual Financial Statements process

A handwritten signature in black ink, appearing to read 'Paul Singer', with a stylized, cursive script.

Paul Singer MVO
A/g Official Secretary

8 March 2019