

Audit Committee Charter

City and Environment Directorate



ACT
Government
City and Environment

Acknowledgement of Country

The City and Environment Directorate acknowledges the Ngunnawal people as traditional custodians of the ACT and recognise any other people or families with connection to the lands of the ACT and region.

We respect the Aboriginal and Torres Strait Islander people, particularly our Aboriginal and Torres Strait Islander staff, and their continuing culture and contribution they make to the Canberra region and the life of our city.

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Audit Committee Charter

City and Environment Directorate Introduction

The Audit Committee (Committee) plays an important role providing oversight of governance, risk management, compliance and control practices. The Committee also serves to provide confidence in the integrity of practices to enable fulfillment of the purpose of the City and Environment Directorate and achievement of its strategic objectives.

This Charter provides the framework for the performance of Committee activities.

Mandate

The Committee has been established by the Director-General in accordance with the Financial Management Act (Section 31) and the ACT Government Framework for Internal Audit Committee and Function and has the authority of the Director-General to carry out the activities prescribed in this Charter.

Purpose

The purpose of the Committee is to provide structured systematic oversight of governance, risk management, compliance, control and assurance practices across the City and Environment Directorate. This applies to both financial and non-financial activities. The Committee assists the Director-General by providing advice and guidance on the adequacy of governance and assurance.

Role

The Committee supports the Director-General by:

- Reviewing effectiveness of governance, risk management, compliance and control.
- Reviewing external reporting (including the financial statements and performance reporting).
- Encouraging ethical behaviour and integrity.
- Encouraging improved economy, efficiency and effectiveness.
- Reviewing reliability of management information.
- Monitoring, evaluating and enhancing internal audit performance.
- Monitoring the independence and effectiveness of external audit.

- Reviewing effectiveness of fraud control measures with a focus on integrity.
- Monitoring compliance with laws, regulations, standards and good practice.
- Promoting good governance in the Directorate.

This requires Committee monitoring and oversight to encompass the broad range of functions and activities related to governance and assurance including:

- Governance structures and processes.
- Risk management structures and processes including the management of environmental, social and governance (ESG) risks.
- Control activities.
- Financial management, accounting policies, financial statements and annual reporting.
- External audit.
- Internal audit¹.
- Compliance.
- Implementation of audit and other review recommendations.
- Ethics and organisation culture.
- External accountability.
- Fraud and corruption control.
- Business continuity management including ICT disaster recovery arrangements.
- Security including physical security, cybersecurity and ICT security.
- Legal compliance and enabling governance framework(s).
- Complaint management.
- Organisation performance and management reporting.
- Work health safety.
- Environmental management.
- Major projects and business initiatives.
- Regulator activities.
- Responses to significant government enquiries such as auditor-general's reports, Royal Commissions.

¹ Refer to the responsibilities outlined in Appendix A.

Authority

The authority of the Committee to perform its role is established within the scope of this Charter. In discharging its responsibilities, the Committee shall have:

- No executive powers, delegated financial responsibility or management functions.
- Unrestricted access to management, employees and relevant information it considers necessary to effectively discharge its duties.
- Unrestricted access to records, data and reports, subject to any legal information protection or privacy requirements.
- Authority to discuss any matters with the external auditor or other external parties, subject to confidentiality considerations.
- The right to require attendance of management at Committee meetings.
- The right to obtain external legal or other professional advice, subject to prior approval of the Director-General.

The Committee may engage independent advisers to assist with its duties if agreed by the Director-General.

Statutory Offices and Audit Programs

Statutory offices within the Directorate, such as the Suburban Land Agency and Canberra Memorial Parks maintain their own independent audit programs, which do not fall within the CED Audit Committee's oversight. The Committee does not endorse or advise on these programs.

Committee Composition

The Committee is comprised of individuals who are independent of organisational management. Such individuals shall be independent, non-executive ACT Government Members or persons external to the organisation. To align with the ACT Government Framework for Internal Audit Committee and Function, the Committee will consist of a minimum of three, and a maximum of five members, including the Chair.

Within this guideline, the composition of the CED committee is:

- An independent Chair of the Committee, not employed by the ACT Government
- Two independent members, not employed by the ACT Government
- One ACT Government member, not from the City and Environment Directorate

The Head of Internal Audit is required to attend all Committee meetings, except for the member-only closed sessions (unless noted on the work plan otherwise). The Head of Internal Audit is not a member of the Committee.

The Committee is supported by a non-member adviser and observers, and representatives from the external auditor. Such individuals are not members of the Committee.

The Director-General and City and Environment executives not serving on the Committee may attend Committee meetings as observers and contribute insights to assist with Committee deliberations. They may not attend closed sessions of the Committee unless specifically invited by the Committee Chair. This includes the non-member advisor.

The Committee Chair may require the attendance of management representatives, staff and contractors at meetings as necessary to address matters on the agenda.

The Committee is a skill-based oversight committee. Membership will be structured to ensure collective competence in governance, assurance, audit, finance, technology, legislation, risk management, compliance and control plus any special attributes relevant to the City and Environment Directorate and its industry. The range of skills included shall ensure that the Committee is not critically dependent upon the specialised knowledge of any individual.

As the responsibilities of the Committee evolve in response to regulatory, economic and reporting developments, Member competencies and the overall balance of skills on the Committee will be periodically evaluated to respond to emerging needs.

Terms of Appointment

Committee appointments (including the non-member advisor) will be made by the Director-General.

Appointments to the Audit Committee in a single role (Members and Chair) shall be a minimum period of three years and up to a maximum of five years. Appointment of the non-member advisor, and the associated term-length, is at the discretion of the Director-General.

A person can be appointed as Chair before or after serving as a Member of the Committee, however; their total time as Chair must not exceed five years, and their total time of continuous member to the Committee (as Chair and/or Member) must not be more than eight years.

The Chair and Members shall be eligible for reappointment by the Director-General, subject to satisfactory performance.

Committee membership will be periodically reviewed in line with the Internal Audit Committee and Function Framework, on a biennial basis at minimum.

Membership of the Committee comprises personal membership and proxies are not permitted.

Quorum

The quorum for the Committee shall be a majority of independent Members at the relevant time.

Operational Principles

Committee Values

The Committee Members will conduct themselves in accordance with the ACT Government Code of Conduct.

Communications

All communication with management and staff, as well as with any advisers, will be direct, open and complete. The Chairperson will be the Committee link to the Director-General and will report on Committee activity at scheduled debriefs that follow a meeting of the Committee.

It is important for the Committee Chair and Members to develop, establish and maintain an effective working relationship with the Director-General and executive management.

Any concerns or differences should be resolved by way of open negotiation, with the final arbiter the Director-General.

Induction

The Committee Secretariat will provide new Committee Members with information and briefings on the work of the Committee to assist them meet their responsibilities. The Committee Secretariat will also ensure that new members meet with key staff which may include the Director-General, the Head of Internal Audit, the Chief Operating Officer and representatives of external audit.

Preparation and Attendance

Committee Members have an obligation to prepare for and actively participate in Committee meetings. This requires Members to contribute the time needed to understand the papers provided for meetings. Members are expected to apply good analytical skills, objectivity and judgment, express opinions frankly, ask questions that go to the fundamental core of issues, and pursue independent lines of enquiry. Each year, Committee members will take part in a half-day tour of selected City and Environment Directorate sites and facilities. These tours help members learn about the Directorate's operations. Site tours are not paid separately and are usually scheduled to align with a regular Committee meeting.

Conflict of Interest

It is the responsibility of a Committee Member to disclose any actual, potential or perceived conflict of interest to the Chair who shall decide whether a Committee Member should be excused from Committee deliberations for a particular matter. If necessary, the final arbiter will be the Director-General.

Written declarations will be made following the appointment of a Member / Chair, and on an annual basis. At the start of each meeting, the Chair, Members and non-member advisor must declare any actual or perceived conflicts of interest related to the agenda, or otherwise. Verbal declarations will be captured in the meeting minutes.

A register of interests will be maintained for the Audit Committee Chair, Members and the non-member advisor to demonstrate transparency and as a safeguard against conflict of interest.

Operational Procedures

Meetings

The Committee shall meet at least four times each financial year, with an additional meeting held in July to consider the Financial Statements and external audit management letter and opinion. The Director-General may request the Committee to meet more frequently if deemed necessary.

Committee Work Plan

A forward work plan including meeting dates and agenda items will be agreed by the Committee at the beginning of each financial year.

Private Sessions

The Committee will meet privately (in closed session) without management present with:

- Director-General –at least once each financial year.
- External Auditor (ACT Audit Office)– at least once each financial year.
- Head of Internal Audit –at least twice each financial year.

The Committee may also meet privately (in closed session) with City and Environment Senior Leadership Executive and Regulators as required.

Secretariat Services

The Audit and Assurance team will provide secretariat services for the Committee. The meeting agenda and supporting papers will be distributed by the secretariat at least five working days before each meeting. Meeting minutes will be prepared, submitted to the Chair for confirmation, and distributed to all attendees within 10 working days of each meeting.

Committee Reporting

The Committee through the Chair reports directly to the Director-General.

The Committee must ensure it maintains a direct functional reporting line for the Head of Internal Audit.

The Chair will meet with the Director-General on Committee outcomes after each meeting.

The Committee through the Chair may report to the Director-General at any time on any matters it deems of sufficient importance. An individual Committee Member may request a meeting with the Director-General should the Member consider it warranted.

The Committee will provide the Director-General with an annual report at conclusion of each financial year. The report will address Committee operations, activities, outcomes and achievements, any feedback for the internal audit function, together with focus areas for the coming financial year.

Evaluation of Performance

Committee performance will be evaluated, with results reported to the Director-General.

Committee performance will be evaluated through:

- Annual self-assessment by the Committee (appendix B).
- Independent review every two years.

Review of the Charter

The Committee will review this Charter each financial year to identify potential improvements.

Approval of the Charter

Endorsed by Audit Committee

Via email, Out of Session ([A58752648](#)) 17 December 2025

Approved by Director-General

A handwritten signature in black ink, appearing to be 'A. J. B.', written over a horizontal line.

6 January 2026

This Charter may be publicly displayed on the City and Environment Directorate website.

Appendix A

Responsibilities of the Audit Committee regarding internal audit:

- Endorse the internal audit mandate and charter including independence arrangements.
- Endorse the program of internal audits (internal audit plan).
- Involvement in an advisory capacity to the Director-General (when requested) in the appointment/termination of the Head of Internal Audit, including whether the HIA role is at the appropriate level.
- Involvement in an advisory capacity to the Director-General (when requested) on the Head of Internal Audit's performance assessment.
- Periodic review of the position description for the Head of Internal Audit to ensure that the competencies allocated to the position remain fit for purpose.
- Performance assessment of the internal audit function (separate to the performance of the Head of Internal Audit).
- Assess and advise whether internal audit has appropriate resources.
- Monitor management response to internal audit recommendations.
- Monitor the annual results of the internal audit Quality Assurance and Improvement Plan.
- Involvement in the appointment of the External Quality Assessment assessor, with direct receipt of the final report by the Chair.

Appendix B - Audit Committee Annual Self-Assessment

Area	Description	Rating (1-5)	Example Performance Measures
Membership and Capability	Skills, experience, independence, induction, term limits		<ul style="list-style-type: none"> All members with relevant qualifications and experience Diversity of skills aligned to organisational risk profile Induction completed for all new members
Roles and Responsibilities	Clarity of charter, scope, alignment with strategy and risk		<ul style="list-style-type: none"> Charter reviewed and approved annually Scope includes financial and non-financial risks Alignment with strategic objectives
Professional practice	Meeting structure, independence, private sessions		<ul style="list-style-type: none"> Number of meetings held per year and attendance rate Frequency of private sessions with auditors and executives
Performance and accountability	Minutes, follow-up, performance measures, culture alignment		<ul style="list-style-type: none"> Timeliness of meeting minutes Action items completed on time Annual self-assessment completed Independent review conducted periodically
Organisation relationships	Access to leadership, strategic influence		<ul style="list-style-type: none"> Frequency of engagement with governing authorities and Director-General
Governance and Reporting	Secretariat support, reporting, conflict of interest procedures		<ul style="list-style-type: none"> Forward work plan in place and reviewed annually Debriefs between Chair and Director-General after each meeting Annual report on committee outcomes completed
Assessment date:		Additional comments:	