Audit Committee Charter (June 2026)

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safe work australia

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Document revision

Date	Version	Changes
October 2011	1	Initial draft
February 2013	1.1	Minor amendments
May 2014	1.2	Minor amendments
January 2015	1.3	Minor amendments in accordance with PGPA Act
April 2015	1.4	Revisions in accordance with the *ANAO Better Practice Guide 2015*
March 2016	1.5	Minor amendments
October 2018	1.6	Revision following review by the Legal and Procurement Section
October 2019	1.7	Annual review and revision
December 2019	1.8	Revisions in accordance with the PGPA Rule
July 2020	1.9	Annual review and revision
September 2020	1.9.1	Minor amendments
April 2021	1.9.2	Minor amendments
May 2022	2.0	Annual review and revision
May 2023	2.1	Annual review and revision
June 2025	3.0	Initial uploading, drafting of amendments to existing Charter
Aug/Sep 2025	3.1	Revised draft following Audit Committee feedback
June 2026	3.2	Revised draft following changes to security clearance expectations and review following AC64

Supporting resources

Relevant documents
Department of Finance (2021). *A guide for non-corporate Commonwealth entities in the role of audit committees.*
Department of Finance - Model-charter-for-audit-committees.pdf
Department of Home Affairs - Audit Committee Charter
Audit and Risk Management Committee Charter | Australian Public Service Commission.

CONTENTS

1. Introduction

1.1 The Chief Executive Officer (CEO) of Safe Work Australia (the Agency) is the Accountable Authority under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

1.2 The CEO has established the Safe Work Australia Audit Committee (the Committee) in compliance with Section 45 of the PGPA Act and Section 17 of *the Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

1.3 This Charter sets out the role and responsibilities of the Committee, including its objective, authority, membership, functions, reporting and administrative arrangements.

1.4 The Charter has been created in alignment and compliance with both the PGPA Act and the PGPA Rule.

1.5 This Charter is made publicly available on the Safe Work Australia website.

2. Objective

2.1. The objective of the Committee is to provide independent advice to the CEO on the appropriateness of the Agency's:

- financial reporting,
- performance reporting,
- systems of risk oversight and management, and
- system of internal control.

3. Authority

3.1. The CEO authorises the Committee, within the scope of its role and functions, to:

- obtain any information it needs from any employee or external party (subject to any legal obligation to protect information),
- discuss any matter with the Australian National Audit Office (ANAO) or another external party (subject to confidentiality considerations),
- request the attendance of any employee, including the CEO, at Committee meetings, and
- obtain external legal or other professional advice as considered necessary to meet its responsibilities, at the Agency's expense, subject to prior approval of the expenditure by the CEO or their delegate.

3.2. Subsection 45(1) of the PGPA Act requires the accountable authority to establish an Audit Committee by written Charter.

4. Role and functions

4.1 The Audit Committee's role is to provide independent advice to the CEO, consistent with the mandatory functions as outlined in the PGPA Act and Rule. The Committee is not responsible for any executive management decisions.

4.2 The Committee will be assisted by the Agency's Chief Audit Executive (Director, Strategy and Performance) and internal audit function, through the delivery of a risk-based and timely internal audit program.

4.3 The Committee will consider these matters in the context of the PGPA Act, the *Safe Work Australia Act 2008* (the SWA Act) and other legislation as relevant.

4.4 Committee members must not use or disclose information obtained by the Committee except in meeting the Committee's responsibilities, or unless expressly agreed to by the CEO.

5. Financial reporting

5.1 The Committee will review and provide advice to the CEO on appropriateness of:

- Annual Financial Statements,
- processes and systems for preparing financial reporting information, and
- processes in place to allow the Agency to stay informed throughout the financial year of any changes or additional requirements in relation to financial reporting.

5.2 Within its financial reporting mandate, the Committee should:

- review the appropriateness of financial reporting, including compliance with the PGPA Act, PGPA Rule, Accounting Standards, and supporting guidance.
- ensure financial records are properly maintained and support the preparation of compliance and auditable financial statements.
- provide a written statement to the CEO on the appropriateness of financial reporting, including:
    - compliance with relevant legislation and standards,
    - appropriateness of additional information required for consolidated reporting, and
    - specific areas of concern or suggestions for improvement.

6. Performance reporting

6.1 The Committee will review and provide advice to the CEO on the appropriateness of the Agency's systems and procedures for assessing, monitoring and reporting on the achievement of the Agency's performance, including information provided in the Portfolio Budget Statements and Annual Performance Statements.

6.2 In particular the Committee will consider whether:

- the Agency's Portfolio Budget Statements include appropriate details of how the Agency's performance will be measured and assessed and are fit-for-purpose for any potential future review by the ANAO.
- the Agency's approach to measuring its performance throughout the financial year against the performance measures included in its Portfolio Budget Statements is appropriate and in accordance with the Commonwealth performance framework to the extent that the SWA Act allows.
- the Agency has appropriate systems and processes in place for the preparation of its Annual Performance Statements and inclusion of the Statements in its annual report, and
- the Agency's Annual Performance Statements are appropriate.

7. Systems of risk oversight and management

7.1. The Committee will review and provide advice to the CEO on the appropriateness of the Agency's systems of risk oversight and management, which will involve the Committee gaining an understanding of the risk appetite and operating environment of the Agency.

7.2. The Committee will review and provide advice on appropriateness of the Agency's:

- enterprise risk management policy framework and the necessary internal controls for the effective identification and management of the entity's risks, in keeping with the Commonwealth Risk Management Policy.
- approach to managing the Agency's key risks, including those associated with individual projects and program implementation and activities.
- processes for developing and implementing the Agency's fraud control arrangements consistent with PGPA Rule s.10 and the broader risk framework.
- fraud control framework, and satisfy itself that the Agency 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 employees of the Agency.

8. Systems of internal control

8.1. The Committee will review and provide advice to the CEO on the appropriateness of the Agency's systems of internal controls and management

Legislative and policy compliance

8.2. The Committee will:

- review the effectiveness of systems for monitoring the Agency's compliance with laws, regulations and associated government policies with which the Agency must comply, and

- determine whether management has adequately considered legal and compliance risks as part of the Agency's enterprise risk management framework, fraud control framework and planning.

Security compliance

8.3. The Committee will review management's approach to maintaining an effective internal security system, including complying with the Protective Security Policy Framework, ICT and cyber security policies.

Internal audit coverage

8.4. The Committee will:

- review the proposed internal audit coverage, ensure the coverage takes into account the Agency's primary risks and recommend approval of the Strategic Internal Audit Plan by the CEO,
- review all internal audit reports and provide advice to the CEO on major concerns identified in those reports, and recommend action on significant matters raised, including the identification and dissemination of information on good practice,
- assess the findings and recommendations of completed audits and provide the Committee's advice and opinion on issues raised to the CEO,
- review the internal audit charter that will guide the work of the internal audit function and how it operates, and
- periodically review the performance of the internal audit function.

9. Membership

9.1. The Committee will consist of at least three members appointed by the CEO.

9.2. All members of the Committee will be independent of the Agency, and a majority of members will be independent of the Commonwealth

9.3. The CEO will appoint the Chair of the Committee.

9.4. The Chair of the Committee is authorised to appoint a Deputy Chair, who will act as the Chair in their absence.

9.5. The members must have an appropriate mix of qualifications, knowledge, skills and experience to assist the Committee to perform its functions.

9.6. Of the minimum three members:

- At least one member of the Committee should have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment.
- Another member should either have direct experience or a good working knowledge of work, health and safety or workers compensation arrangements within Australia and an understanding of Safe Work Australia's broader governance arrangements.

9.7. Commonwealth guidance emphasises the importance of the Committee having a sound understanding of the entity's operating context. This can be supported by

Committee members actively seeking information from internal audit and management to fulfill their role.

9.8. Members will be appointed for an initial period of three years. Any extension of a member's appointment on the Committee will be approved by the CEO after they have assessed the member's performance as a Committee member and/or have determined a need to alter the composition of the Committee.

9.9. Extending a member's appointment may be for any length of time that the CEO determines appropriate, considering the need to balance the rotation of members with the time it takes for a member to become familiar with the Agency and be able to actively contribute to in depth discussion.

9.10. The CEO, Chief Financial Officer (CFO), Agency employees and any internal audit provider engaged by the Agency must not be members of the Committee but may attend meetings as advisers or observers as agreed by the Chair.

9.11. A representative(s) of the ANAO will be invited to attend meetings as an observer unless the Chair requests otherwise. A representative(s) of the internal audit provider will also be invited to attend meetings as an observer unless the Chair requests otherwise.

9.12. The Committee is authorised to establish one or more sub-committees to assist it in meeting its responsibilities.

10. Reporting

10.1. The Committee will regularly, and at least once a year, provide a written statement to the CEO on the following:

Financial reporting

10.2. Whether the annual financial statements, in the Committee's view, comply with the PGPA Act, the PGPA Rule, the Accounting Standards and supporting guidance.

10.3. Whether additional Agency information (other than the annual financial statements) required by the 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 Rule, the Accounting Standards and supporting guidance.

10.4. The appropriateness of the Agency's financial reporting as a whole, with reference to any specific areas of concern or suggestions for improvement.

Performance reporting

10.5. The appropriateness of the Agency's annual performance statement, performance measures and the reporting thereon. The statement should note whether the Agency has complied with the PGPA Act and Rule, with reference to any areas of concern or suggestions for improvement.

10.6. The appropriateness of the Agency's non-financial performance information for inclusion in the annual Portfolio Budget Statements.

Systems of risk oversight and management review

10.7. The appropriateness of the Agency's systems for risk oversight and risk management as a whole, with reference to the latest Commonwealth Risk

Management Policy and any specific areas of concern or suggestions for improvement.

Systems of internal control

10.8. The appropriateness of the Agency's systems for internal control, with reference to any specific areas of concern or suggestions for improvement.

11. Other functions

11.1. In addition to its four mandatory functions, the Committee will undertake the following additional functions and provide a written statement to the CEO.

Business continuity

11.2. The Committee will satisfy itself that an appropriate approach has been taken in establishing the Agency's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.

Ethical and lawful conduct

11.3. The Committee will assess whether 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.

Parliamentary committee reports, external reviews and evaluations

11.4. The Committee will satisfy itself as required that the Agency has appropriate mechanisms for reviewing relevant parliamentary committee reports, external reviews and evaluations of the Agency and implementing, where appropriate, any resulting recommendations.

Other

11.5. The Committee will undertake other activities related to its role and responsibilities as requested by the CEO.

11.6. The Committee may, at any time, report to the CEO about any other matter it considers to be of sufficient importance. In addition, at any time a Committee member may request a one-on-one meeting with the CEO.

12.Responsibilities of members

12.1 Members of the Committee are expected to understand and observe the legal requirements of the PGPA Act and PGPA rule. The Committee will constructively engage with management in discharging its role and functions for the CEO. Members are also expected to:

- act in the best interests of the Agency as a whole,
- apply good analytical skills, objectivity and judgement,
- 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 meet their responsibilities.

12.2 The Chair or the Committee should undertake an annual performance review of committee members and present the results of the review to the CEO.

13. Administrative arrangements

Meetings

13.1. The Committee will meet at least four times per year. Special meetings may be held for any reason at the request of the Chair or CEO.

13.2. The Chair is required to call a meeting if requested to do so by the CEO and with consideration for requests made by another Committee member.

13.3. All matters for discussion will be proposed formally through the submission of papers to the Committee meetings or out-of-session with the agreement of the Chair.

13.4. The Chair may allow discussion of further matters at their discretion.

Annual work plan

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

Attendance at meetings and quorums

13.6. A quorum will consist of a majority of Committee members.

13.7. Meetings can be held in person or virtually.

13.8. An internal audit provider and the ANAO may be invited to attend each meeting unless the Chair requests otherwise.

13.9. The Committee may also request the CFO or other employees attend Committee meetings or participate for certain agenda items.

Secretariat

13.10. The Agency will undertake the secretariat function, providing administrative support to the Committee.

13.11. The Agency will ensure the agenda for each Committee meeting is approved by the Chair, and supporting papers are circulated at least one week before the meeting.

13.12. The Agency will also ensure the minutes of Committee meetings are prepared, maintained and circulated promptly to members, the external and internal auditor, and prepare a summary of each meeting to be provided to the CEO.

13.13. Minutes must be approved by the Committee and circulated within a timely manner of each Committee meeting to each Committee member, SWA advisers (staff) and observers (ANAO, IA service provider) in attendance, as appropriate.

Annual Report

13.14. As per Section 17AG of the PGPA Rule, the following information must be included as part of the Agency's Annual Report:

- A direct electronic address of the charter determining the functions of the audit committee for the Agency,

- the names of the members
- their qualifications, knowledge, skill or experience,
- information about their attendance at meetings, and
- the remuneration of each of the members.

14. Conflicts of interest

14.1. Once a year or when otherwise required, Committee members will provide written declarations to the CEO of potential or actual conflicts of interest that would preclude them from being members of the Committee.

14.2. Committee members must declare at the start of each meeting or before discussion of the relevant agenda item or topic any conflicts of interest in relation to an agenda item or topic to be discussed at a Committee meeting.

14.3. 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) or topic. Details of actual, perceived or potential conflicts of interest declared by members of the Committee and its sub-committees and action taken, will be appropriately recorded in the minutes.

14.4. Conflicts of interest will be managed by the Chair. If the Chair has an actual, perceived or potential conflict, it must be declared prior to the meeting commencing to the CEO or in the CEO's absence, the Deputy CEO.

15. Induction

15.1. New members will receive briefings from the CEO and the Chair of the Audit Committee to assist them to meet their Committee responsibilities. A separate 'Guide to being a Committee Member' is to be provided to new Committee members.

15.2. During their tenure it is expected that members will hold and maintain a relevant security clearance as determined by the Agency.

16. Assessment arrangements

16.1. The CEO, as supported by the Corporate Branch, and in consultation with the Chair of the Committee (if requested), will review the performance of the Committee at least once every two years.

16.2. The review will be conducted with appropriate input sought from internal and external auditors, the Agency's senior management, and any other relevant stakeholders as determined by the CEO.

17. Review of Charter

17.1. At least once a year, the Committee will review this Charter with the support of the Audit Committee Secretariat, in consultation with the CEO.

17.2. Any substantive changes to the Charter must be endorsed by the Committee and then formally approved by the CEO.