



SCREEN AUSTRALIA AUDIT COMMITTEE CHARTER

The Board has established the Audit Committee in compliance with Section 45 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and PGPA Rule Section 17 *Audit Committee for Commonwealth Entities*.

This charter has been prepared in accordance with the ANAO's best practice guidelines and sets out the Audit Committee's purpose, authority, membership, functions, reporting and administrative arrangements.

Purpose

The Audit Committee is a sub-committee of Screen Australia, established to assist Screen Australia discharge its responsibilities under the Screen Australia Act 2008 and the Public Governance, Performance and Accountability Act 2013 in respect of financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies.

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

Authority

The Screen Australia Board authorises the Audit Committee, within its responsibilities, to:

- ▶ obtain any information it requires from any official / or external party (subject to any legal obligation to protect information);
- ▶ discuss any matters with the ANAO, or other external parties (subject to confidentiality considerations);
- ▶ request the attendance of any employee, including members of the Board, at committee meetings; and
- ▶ obtain legal or other professional advice at Screen Australia's expense, as considered necessary to meet its responsibilities.

Membership

The Board is responsible for the appointment of Audit Committee members. The Audit Committee will comprise of at least three and not more than five members drawn from the Board.

The Board will appoint a non-executive member as Chair of the Audit Committee.

The Audit committee is authorised to appoint a deputy Chair who will act as Chair in the absence of the Chair.

The Chair of the Board shall not be the Chair of the Audit Committee.

The Chair of the Board and other Board members may attend Audit Committee meetings, and when they elect to do so, will require copies of the Audit committee papers

The Chair of the Board and other Board members, the Chief Executive Officer, Chief Finance Officer, Chief Operating Officer, Head of Legal Services and the Head of Internal Audit may attend meetings as observers as determined by the Chair but will not be members of the Audit Committee,

A representative of the ANAO will be invited to attend meetings of the Audit Committee, as an observer.

The Audit Committee can meet separately with its internal auditor or external auditor if deemed necessary by the Chair of the Audit Committee or the Audit Committee itself.

The Chair of the Board and/or other Board Members may be invited to attend committee meetings to participate in specific discussions or provide strategic briefings to the Audit Committee.

Membership of the Audit Committee will be reviewed periodically (but at least every three years) by the Screen Australia Board with the aim of ensuring an appropriate balance between continuity of membership, the contribution of fresh perspectives and a suitable mix of qualifications, knowledge skills and experience.

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

Audit Committee members will be appointed for an initial period not exceeding three years after which they will be eligible for extension or re-appointment.

Functions

The Audit Committee's functions include:

Financial Reporting

- ▶ review the financial statements and provide advice to the Screen Australia Board: including recommending their signing by the Chair of Screen Australia. In particular the Audit Committee will:
 - a) assess Screen Australia's compliance with accounting standards, including an assessment of the appropriateness of accounting policies and disclosures
 - b) assess areas of significant judgement and financial statement balances that require estimation
 - c) assess any significant changes to accounting policies and practices

- d) review significant or unusual transactions not covered by b) and c) above
 - e) assess whether appropriate management action has been taken in response to any issues raised by the ANAO , including financial statement adjustments or revised disclosures
- ▶ review the processes in place designed to ensure that financial information included in Screen Australia’s annual report is consistent with the signed financial statements
 - ▶ monitor the standard of financial information provided to the Screen Australia Board
 - ▶ discuss with the ANAO, the auditors judgements about the adequacy of Screen Australia’s accounting policies and the quality of Screen Australia’s processes for the preparation of Screen Australia’s financial statements,

Performance Reporting

- consider any issues relating to Screen Australia’s performance that the Audit Committee considers warrant review, or are referred to the Audit Committee by the Screen Australia Board.
- monitor the standard on non-financial performance information provided to the Screen Australia Board.
- review the proposed reporting of Screen Australia’s performance to ensure that the information is consistent with Screen Australia’s reported financial information.

Systems of Risk Oversight and Management

- ▶ assess whether management has in place a current and sound enterprise risk management framework, and associated procedures for effective identification and management of Screen Australia’s business and financial risks, including fraud and approve the Risk Management Framework;
- ▶ determine whether a sound and effective approach has been followed in managing Screen Australia’s major risks, including those associated with individual projects, program implementation, and activities
- ▶ satisfy itself that management has assessed the impact of Screen Australia’s enterprise risk management framework on its control environment
- ▶ monitor the adequacy of Screen Australia’s insurance cover
- ▶ monitor reports on fraud that outline any significant or systemic allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in Screen Australia; and
- ▶ at least annually, commission and approve an entity wide assurance map that identifies Screen Australia’s key assurance arrangements

Systems of Internal Control

Internal Controls Framework

- ▶ assess whether management has in place comprehensive policies and procedures designed to maintain an effective internal control framework, including over external parties such as contractors and advisors
- ▶ determine whether management has appropriate processes in place to assess, at least once a year, whether key policies and procedures are complied with;
- ▶ assess the adequacy of Screen Australia's information technology security arrangements

Delegations

- ▶ assess whether appropriate policies and procedures are in place for the management and exercise of delegations;

Business Continuity Management

- ▶ determine whether a sound and effective approach has been followed in establishing Screen Australia's business continuity planning arrangements, including whether business continuity and disaster recovery plans are periodically updated and tested

Ethical and Lawful Behavior

- ▶ assess whether management has taken steps to embed a culture that promotes the proper use of Screen Australia resources and is committed to ethical and lawful behavior.

Internal Audit

- ▶ review the proposed internal audit coverage; ensure the coverage is aligned with Screen Australia's key risks: and approve the Internal Audit plan and internal audit budget
- ▶ review all audit reports and provide advice to the Screen Australia Board on significant issues identified in audit reports and recommend action on issues raised, including identification and dissemination of good practice

Legislative and Policy Compliance

- ▶ assess the effectiveness of the systems for monitoring Screen Australia's compliance with those laws, regulations and associated government policies that Screen Australia must comply with
- ▶ assess where relevant, Screen Australia's compliance with International Conventions, particularly OECD Convention on Combating Bribery of Foreign public officials in International Business Transactions
- ▶ determine whether management has considered legal and compliance risks as part of Screen Australia's enterprise risk management plan
- ▶ provide advice to the Screen Australia Board regarding the issue of Screen Australia's annual Certificate of Compliance, or equivalent report

Engagement with the ANAO

The Audit Committee will engage with the ANAO, as Screen Australia's external auditor, in relation to the ANAO's financial statement and performance audit coverage.

In particular the Audit Committee will:

- ▶ provide input on planned ANAO financial statement and performance audit coverage
- ▶ monitor management's responses to all ANAO financial statement management letters and performance audit reports, including the implementation of audit recommendations
- ▶ provide advice to the Screen Australia Board on action to be taken on significant issues raised in relevant ANAO reports or better practice guides.

Authority of the Audit Committee

All decisions of the Audit Committee shall be referred to the Screen Australia Board for approval other than:

- ▶ The Internal Audit Plan and internal audit budget
- ▶ The appointment, replacement or dismissal of the head of Internal Audit (or the internal audit service provider) and
- ▶ The Screen Australia Risk Management Framework
- ▶ An entity-wide assurance map

that do not require the approval of the Screen Australia Board.

Reporting

The Audit Committee will regularly update the Board on its activities and make recommendations to the Board as appropriate.

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

The Audit Committee will at least once annually confirm to the Screen Australia Board that all the functions/responsibilities outlines in this charter have been carried out, and comply with any other reporting requirements specified by Screen Australia from time to time.

Administrative arrangements

Meetings

The Audit Committee will meet at least four times per year. One or more special meeting may be held to review Screen Australia's annual financial statements or to meet other responsibilities of the Audit Committee.

All Audit Committee members are expected to attend each meeting, in person or via tele-or-video conference

The Chair is required to call a meeting if asked to do so by the Board of Screen Australia, and decide if a meeting is required if requested by another Audit Committee member,

internal audit or ANAO.

Planning

The Audit Committee will develop a forward meeting schedule that includes the dates, location and proposed agenda items for each meeting for the forthcoming year and that covers all the responsibilities outlined in this charter,

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

Quorum

A quorum will consist of at least two Audit Committee members. The quorum must be in attendance at all times during the meeting.

Secretariat

A Board-appointed person will provide secretariat support to the Audit 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

At the beginning of each Audit Committee meeting, members are required to declare any material personal interests that may apply to specific matters on the meeting agenda. Where required by the Chair, the member will be excused from the meeting or from the Audit Committee's consideration of the relevant agenda item(s). The Chair is also responsible for deciding if he/she should excuse themselves from the meeting or from the Audit Committee's consideration of the relevant agenda item(s)

Details of material personal interests declared by the Chair and other members, and actions taken will be appropriately recorded in the minutes.

Induction

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

Review of charter

At least once a year the Audit Committee will review this charter. This review will include consultation with the Screen Australia Board.

Any substantive changes to the charter will be recommended by the Audit Committee and formally approved by the Board.

Submitted to and endorsed by Audit Committee 19 April 2021

Submitted to and adopted by Board 21 June 2021