

MRIWA AUDIT AND RISK COMMITTEE CHARTER

Legislative Context: *Minerals Research Institute of Western Australia Act 2013 (WA)*
Financial Management Act 2006 (WA)

Key Pillar: Governance

Pillar Goal: Robust governance and contemporary fit-for-purpose corporate practices

- Maintain relevant and responsive committee structure

Definitions:

Act means the *Minerals Research Institute of Western Australia Act 2013 (WA)*

Audit and Risk Committee or *Committee* means the MRIWA Audit and Risk Committee

Committee Chair means the person nominated by the MRIWA Board to chair the Committee

MRIWA or *Institute* means the Minerals Research Institute of Western Australia established under section 4(1) of the Act

MRIWA Board or *Board* means the board provided for in section 26(1) of the Act

MRIWA Board Chair means the person designated under section 28(1) as the chairperson of the board

MRIWA CEO/CFO means the person occupying or acting in the jointly held position of Chief Executive Officer and Chief Financial Officer

Treasurer's Instruction means instructions issued under section 78 of the *Financial Management Act 2006 (WA)*

Version History:	Date Approved	Version	Approved By
	21 July 2014	1	Board Resolution 20140721#4
	17 February 2020	4	Board Resolution 20200217#4

1. Purpose

The purpose of the MRIWA Audit and Risk Committee is to assist the by:

- ensuring organisational value is enhanced and protected by the MRIWA audit and risk framework; and
- providing risk-based and objective assurance, advice, and insight to ensure the framework operates effectively.

Due to the nature and size of MRIWA, the Committee fulfils the role of an internal audit committee as required by Treasurer's Instruction 1201.

2. Authorities and Powers

The Committee is responsible to the MRIWA Board.

In carrying out its duties the Committee has the following authorities and powers:

- a) To request any employee or officer of the Institute to provide the Committee with information of material available to the employee or officer;
- b) To obtain, at the cost of the Institute and with the prior approval of the MRIWA Board Chair, such legal, financial or other independent professional advice as it considers necessary; and
- c) To access the financial management services provider and external auditor.

3. Committee structure and Composition

3.1 Membership

The Committee shall be appointed by the MRIWA Board and comprise three members who are members of the MRIWA Board to ensure independence from the day-to-day management of the agency.

The Committee members must possess sufficient knowledge and competencies to make an effective contribution to the work of the Committee.

3.2 Chair

The Board will nominate the Committee Chair who will be a member of the Board and a suitably qualified person.

If the nominated Committee Chair is not present at, or unable to attend, a Committee meeting the Committee may appoint another of its members to chair that meeting.

3.3 Term

The Committee member's term of appointment will be determined by the Board subject to an initial term of not more than three years and a maximum total period of service of not more than six years.

The Board may determine to extend the maximum total period in extenuating circumstances to enable appropriate succession planning of Board members to appoint to the Audit and Risk Committee.

Any vacancies on the Committee will be filled by the Board.

A Committee member holds office only while that member remains a member of the MRIWA Board.

3.4 Remuneration

Except as approved by the Board, no member of the Committee is entitled to receive a fee.

3.5 Induction

All members of the Committee are required to be familiar with the MRIWA's audit and risk requirements and the MRIWA's Code of Conduct.

3.6 Committee evaluation

The Committee will regularly evaluate performance to support overall Board performance evaluation.

4. Meetings and Procedures

4.1 Frequency of meetings

The Committee will meet as frequently as necessary to adequately discharge its duties, but not less than three times a year.

Meetings will be called by the Committee Chair.

4.2 Quorum

Unless the Board determines otherwise, the quorum for a Committee meeting will be two members and the quorum must be present for the duration of the meeting.

Decisions will be made by a majority of votes of the members present and voting. In the case of an equality of votes, the Committee Chair will have a casting vote.

4.3 Attendance and expectations

Committee members are expected to make every reasonable effort to attend Committee meetings. Attendance in person is preferred; however, participation by teleconference or other electronic means is permitted if necessary.

The MRIWA CEO/CFO and the financial management service providers are required to attend Committee meetings in an ex-officio capacity.

The external auditor and other officers of the Institute may attend Committee meetings at the discretion of the Committee Chair.

The Committee may invite any other person it considers appropriate to attend a Committee meeting.

4.4 Distribution of agenda and supporting material

The agenda and supporting material must be provided to the Committee members prior to each Committee meeting and in sufficient time to enable Committee members to properly prepare for each meeting.

4.5 Submission of reports to the Committee

The Committee may require management to submit reports, as it determines from time to time, for its consideration at each meeting. Reports will commonly include: financial management reports; annual financial statements; risk assessments; and compliance reports.

4.6 Minutes of Committee meetings

The Committee will ensure minutes are taken of each meeting. The draft of the minutes is to be provided to Committee members as soon as practical after a Committee meeting.

Draft minutes will be included in the Board papers for the next scheduled Board meeting following a Committee meeting.

4.7 Confidentiality

Subject to the requirements of the Act, or other relevant legislation, the proceedings and reports of the Committee remain confidential to the Institute.

5. Duties and responsibilities

5.1 Overview of responsibilities

The Committee oversees:

- a) The processes which ensure financial accounts and statements are accurate, complete and timely;
- b) The relationship between management, financial management services provider and the external auditor;
- c) The internal controls, policies and procedures used to identify and manage business risks;
- d) The policies and procedures for ensuring compliance with relevant regulatory and legal requirements.

The Committee's duties include, but are not limited to:

Audit

- a) Determining the internal audit program in consultation with the Board in accordance with Treasurers' Instructions 1201 and 1202;
- b) Reviewing the scope of planned audits to ensure they can be relied on to detect any weaknesses in internal controls or non-compliance with legal requirements;
- c) Reviewing external auditor's reports and auditor's management letters, with particular attention to recommendations relating to strengthening internal controls and reporting systems;
- d) Monitoring and reviewing management's responses to external audit findings;
- e) Monitoring the relationship between management and the external auditor to ensure there are no unresolved issues that could materially adversely affect the quality of the audit or reports;
- f) Reviewing the terms of engagement of the external auditor and recommending to the Board any changes consider necessary.

Financials

- a) Reviewing all published financial accounts, statements or reports issued by MRIWA which require Board approval with a view to making recommendations to the Board on whether they give a fair view of the Institute's financial position as required by relevant legislation.
- b) Reviewing financial reports with management and/or the external auditor prior to submission to the Board;
- c) Reviewing any changes in accounting practices or policies and the subsequent effect on financial reporting;
- d) Assessing the risk management plans and policies that deal with the adequacy and effectiveness of internal controls over the Institute's accounting and financial reporting systems;
- e) Monitoring the relationship between management and the external auditor to ensure there are no unresolved issues that could materially adversely affect the quality of the audit or reports.

Risk and compliance

- a) Monitoring and assessing the effectiveness of the compliance program in ensuring compliance with relevant regulatory and legal requirements, as well as with the Institute's policies and procedures.
- b) Monitoring and assessing the adequacy and effectiveness of the risk management framework, strategies, policies and practices of the Institute.

5.2 Conflict of interest

A Committee member must, on an on-going basis, keep the Committee advised of any material personal interest in a matter that relates to, or could potentially conflict with, whether actual or perceived, the affairs of the Institute. The Committee Chair will determine the appropriate action on a case-by-case basis.

6. Reporting

As soon as practicable after each Committee meeting the Committee Chair will report to the Board on the Committee's deliberations, decisions and/or recommendations.

7. Review

The Committee will review this Charter every three years, or more frequently if deemed necessary by the Board or the Committee, to ensure the Charter remains consistent with the Committee's objectives and responsibilities and with relevant legislation and regulatory obligations.