Australian Government

Australian Naval Nuclear Power Safety Regulator

Version: 1.0

Audit and Risk Committee **Charter**

July 2026

Contents

Amendment certificate

Australian Naval Nuclear Power Safety Regulator (ANNPSR) document title	Audit and Risk Committee Charter
Version	1.0
Release date	July 2026

This initial document will be subject to regular review and amendment as required. This version is the initial release. It will be cancelled when superseded.

Governance

The following legislative documents and versions have been used to inform development of this artefact.

- *Public Governance, Performance and Accountability Act 2013* (PGPA Act)
  23 August 2017
- *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule)
  06 May 2026 - 30 June 2026

Amendment summary

July 2026 – Version 1 released

Chapter one
Overview

1.1 The Director-General (DG) of the Australian Naval Nuclear Power Safety Regulator (the Agency) has established the Agency Audit and Risk Committee (the Committee) in accordance with Section 45 of the PGPA Act and Section 17 of the PGPA Rule.

Objective

1.2 The Committee is established to provide independent advice to the DG of the Agency. The Committee does not make decisions on the management of the Agency.

1.3 Papers to the Committee should be designed to be outcome oriented and ask the Committee to:

a. advise on proposed courses of action

b. invite further work action or attendance at an appropriate Committee meeting by Agency senior management to facilitate further discussion and/or

c. agree issues to be discussed with DG ANNPSR.

Functions

1.4 Consistent with subsection 17(2) of the PGPA Rule, the functions of the Committee include reviewing the appropriateness of the Agency's financial reporting, performance reporting, system of risk oversight and management, and system of internal control.

Chapter two
Governance, risk management and accountability

Financial reporting

2.1 The Committee will review and provide advice to the DG on the appropriateness of the Agency's:

a. annual financial statements and their compliance with the PGPA Act, the PGPA Rule, and the Australian Accounting Standards, including a recommendation to the DG with regard to signing of the Agency financial statements

b. consolidated financial statements supplementary reporting pack

c. financial reporting as a whole, with reference to any specific areas of concern or suggestions for improvement.

Performance reporting

2.2 The Committee will review and provide advice to the DG on the appropriateness of:

a. the framework for developing and reporting performance information including compliance with mandatory requirements of the PGPA Act and PGPA Rules

b. performance information to be included in the Portfolio Budget Statements and the Corporate Plan

c. performance information to be included in the Annual Performance Statements

d. the Agency's performance reporting as a whole, with reference to any specific areas of concerns or suggestions for improvement.

System of risk oversight and management

2.3 The Committee will review and provide advice to the DG on the appropriateness of the Agency's:

a. enterprise risk management framework and associated procedures for effective identification and management of its risks consistent with the Commonwealth Risk Management Policy

b. approach to managing key risks, including those associated with programme implementation, projects, and activities

c. fraud control arrangements to detect, capture and effectively respond to fraud risks consistent with the Commonwealth Fraud and Corruption Framework

d. system of risk oversight and management as a whole, with reference to the Commonwealth Risk Management Policy and Commonwealth Fraud and Corruption Control Framework, referring to any specific areas of concern or suggestions or improvement

e. approach to managing policy breaches identified and captured on the Agency's compliance register.

System of internal control

2.4 The Committee will provide advice to the DG on the appropriateness of the Agency's system of internal control by reviewing the following and advising of any specific areas of concern or suggestions for improvement:

a. Internal control framework:

(1) key policies and procedures are in place, including Accountable Authority Instructions, Instruments of Delegations, Work Health and Safety policies and Fraud and Corruption Control Plan

(2) appropriate processes in place to assess and monitor compliance with key Agency policies and procedures.

b. Legislative compliance:

(1) systems for monitoring the Agency's compliance with relevant legislation, regulations and applicable government policies.

c. Business continuity arrangements:

(1) business continuity and disaster recovery plans are in place and have been periodically updated and tested.

d. Security compliance:

(1) the Agency's approach to maintaining an effective internal security system through review of the Protective Security Policy Framework maturity levels and relevant ICT security and cyber policies.

e. Internal audit arrangements including:

(1) that internal audit coverage takes into account the Agency's key risks

(2) Internal Audit Work Program; reviewing and recommending approval by the DG

(3) audit reports, reviewing internal audit reports and Australian National Audit Office (ANAO) performance audits that relate to the Agency, and providing advice to the DG on major concerns identified.

f. Ethical and lawful conduct:

(1) the steps taken to embed a culture that promotes the proper use and management of public resources and the commitment to ethical and lawful conduct.

g. Parliamentary committee reports and external reviews:

(1) the mechanisms for reviewing relevant parliamentary committee reports, external reviews, evaluations, and internal audits of the Agency, and reviewing the implementation of any resultant recommendations.

Composition and operation

Membership

2.5 The DG appoints the members of the Committee, including the Chair and Deputy Chair of the Committee. Under Subsection 17(3) of the PGPA Rule the Committee must consist of at least three (3) persons.

2.6 Under Subsection 17(4) of the PGPA Rule, from 1 July 2021:

a. all of the members of the Committee must be persons who are not Agency officials; and

b. a majority of the members must be persons who are not officials of any Commonwealth entity.

2.7 Members of the Committee are expected to attend all meetings and may not be represented by others.

2.8 The DG may appoint permanent Senior Advisers to the Committee.

a. Senior Advisers are expected to attend all meetings.

b. When a Senior Adviser is unavailable to attend a meeting and there is no official acting arrangement in place, an alternative representative may attend only with the Chair's pre-approval, sought via the Committee Secretariat.

2.9 Members of the Committee will be appointed for an initial period determined by the DG. Members of the Committee may be re-appointed after a formal review of their performance for further periods as specified by the DG.

2.10 Consistent with subsection 17(5) of the PGPA Rule, the DG and the Chief Finance Officer may attend meetings but cannot be members of the Committee.

2.11 Representatives of the ANAO may attend Committee meetings (in whole or in part) as observers.

Committee member's responsibilities

2.12 Members of the Committee are expected to understand and observe the legal requirements of the PGPA legislation and are expected to:

a. act in the best interests of the Agency

b. apply good analytical skills, objectivity and judgement

c. express opinions constructively and raise issues that relate to the Committee's responsibilities and pursue independent lines of enquiry

d. contribute the time required to meet their responsibilities

e. ensure transparency through full disclosure.

Conflict of Interest

2.13 Once a year, and when otherwise required, members of the Committee are to provide written declarations of any potential, perceived or actual conflicts of interest they may have in relation to their responsibilities as members of the Committee. Members should consider past employment, consultancy arrangements and related party issues when making these declarations.

2.14 At the beginning of each Committee meeting, members, advisers and observers will be required to declare any potential, perceived or actual conflicts of interest that may apply to specific matters on the meeting agenda including any actual, perceived or potential conflict previously notified.

2.15 The Chair will determine how any actual, potential or perceived conflict of interests will be managed which may include members, advisers or observers being excused from the meeting of from the Committee's consideration to the relevant agenda item(s).

2.16 The Chair is also responsible for deciding, in consultation with the DG where appropriate, if they should excuse themselves from the meeting or from the Committee's consideration to relevant agenda item(s).

2.17 Details of any material personal interests declared by the Chair, other members, advisers and observers, and action taken, will be appropriately recorded in the outcomes.

Committee authority

2.18 The DG authorises the Committee, in performing its functions to:

a. seek any information it requires from any official of the Agency or external party

b. request legal or other professional advice, subject to approval the by appropriate delegate

c. require the attendance of any official of the agency at meetings as appropriate.

2.19 The DG also directs officials of the Agency to cooperate with the Committee.

Independence

2.20 The Committee is directly accountable to the DG for the performance of its functions.

2.21 The Committee has no executive powers in relation to the operations of the Agency. The Committee may only review the appropriateness of particular aspects of those operations, consistent with its functions, and advises the DG accordingly.

Sub-committees

2.22 The Committee may establish sub-committees to support the performance of its functions. The establishment of such sub-committees does not change the Committee's responsibilities under the Charter.

2.23 The responsibilities, membership and reporting arrangements for each sub-committee shall be documented and approved by the Committee, and will be reviewed and endorsed by the Committee annually.

Chapter three
Meetings and administration

Meeting frequency

3.1 The Committee will meet at least 5 times per year, with additional meetings to be held, if required. Special meetings may be held to review the Agency's annual financial statements and annual performance statements or to meet other specific responsibilities of the Committee.

3.2 The Chair may call for any additional meetings if directed by the DG or if requested by another Committee member.

3.3 The Committee is authorised to make decisions out of session between meetings. Any such decisions shall be in writing and documented at the next meeting of the Committee.

3.4 The Committee seeks short, succinct papers no more than 2 pages (attachments and appendices are additional). The papers are due to the Secretariat 8 business days before each meeting.

Quorum

3.5 A quorum for any Committee meeting will be 2 members, one of whom must be the Chair or the Deputy Chair.

Secretariat

3.6 The Agency, through the Office of the DG, will provide secretariat services and support the Committee.

3.7 The Secretariat will facilitate the Chair's approval of the agenda for each meeting; the agenda and supporting papers are to be circulated at least 5 business days before each meeting; and the outcomes of each meeting are prepared and maintained.

3.8 Outcomes must be reviewed by the Chair and circulated in a timely manner to each member prior to being considered for approval at the next meeting.

Forward work plan

3.9 The Committee will document the matters it will consider during any given year through an annual forward work plan. The work plan will include the proposed agenda items for each meeting and cover all of the functions outlined in this Charter.

Reporting

3.10 The Chair will report to the DG after each meeting. Any matter deemed of sufficient importance will be reported to the DG immediately.

3.11 The Committee will, as often as necessary, and at least once a year, report to the DG on its operation and activities against the responsibilities outlined in this Charter.

Annual report requirements

3.12 Section 17AG (2A) of the PGPA Rule establishes that the following information in relation to the Committee is to be included in the annual report:

a. a direct electronic address of this Charter that determines the functions of the Committee;

b. the name of each member of the Committee during the period;

c. the qualifications, knowledge, skills or experience of those members;

d. information about each of those members' attendance at meetings of the Committee during the period

e. the remuneration of each of the members.

3.13 The Secretariat will liaise with the members to facilitate provision of this information.

Record keeping

3.14 The Committee Secretariat must maintain Committee records in accordance with the Records Management Policy, its obligations under the *Archives Act 1983* and Section 37 of the PGPA Act.

Review of charter

3.15 The Committee will review this Charter at least annually, and endorse it for approval by the DG.

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