

Reference	
Name	Risk and Audit Committee
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Updated	December 2019

Establishment of NTC Risk and Audit Committee

Terms of reference

1 Purpose

The primary focus of the NTC Risk and Audit Committee is to provide an independent assessment of the state of NTC's financial reporting; performance reporting; risk management policies and risk oversight procedures; and system of internal controls and provide relevant reports and advice to the NTC Commission on a regular basis.

2 Objectives

The NTC Risk and Audit Committee will ensure:

- All major organisational risks have been identified and are subject to periodic risk assessment by staff with appropriate mitigation measures put in place where this is deemed necessary.
- All Government policies and legislated requirements in relation to OH&S and financial management are being met.
- All mandated external reports to be provided to government by NTC are assessed as accurate prior to submission to Commissioners.
- An up to date and comprehensive organisational risk assessment document is provided to the Committee by NTC staff on an annual basis.
- NTC financial accounts are independently audited in accordance with Government legislated requirements.

3 Composition

The committee must:

- Consist of at least three persons who have appropriate qualifications, knowledge, skills or experience to assist the committee to perform its functions.
- Appoint one of the NTC Commissioners as Chair of the Committee, noting that the Chair NTC and the Chief Executive Officer NTC shall not be eligible to be members of the Committee.
- At the invitation of the Chair of the Committee; the Chair of NTC, the Chief Executive Officer of NTC and the Executive Leader Business & Collaboration NTC (EL B&C) shall attend Committee meetings as observers.
- Other Commissioners may attend meetings of the Committee as observers.
- External auditors shall have independent access to the Chair of the Committee at any time.
- The EL B&C shall be the Secretary of the Committee and additional legal, governance and administrative support shall be provided by designated NTC legal staff.
- The EL B&C is designated as the chief audit executive.

4 Meetings

- The Committee shall meet as often as it considers necessary, but not less than once per quarter.
- A quorum for meetings will be two members of the Committee.
- The Committee shall ensure that arrangements are made for the external auditor to meet with the Committee without Management in attendance in connection with the consideration of the full year reporting and at other times as requested by the Committee.

5 Duties and responsibilities

Systems of risk oversight and management (which may cover):

- Review the scope and effectiveness of the systems established by NTC for the identification, assessment, management and monitoring of all major organisational risks.
- Reviewing NTC's risk management framework including:
 - NTC risk management plan
 - NTC business continuity plan
- Monitor and review specific risks on a quarterly basis, to ensure NTC has appropriate controls in place to monitor and update risk assessments.
- Review any public statement to be made by NTC concerning its internal controls and risk management framework prior to release.
- Advising the Commission about the internal audit plans of the entity.
- Advising the Commission about the professional standards to be used by internal auditors in the course of carrying out audits in the entity. As far as practicable, co-ordinating work program relating to internal and external audits.
- Reviewing the adequacy of NTC's response to reports of internal and, as far as practicable, external audits.
- Reviewing the content of reports of internal and external audits to identify material that is relevant to NTC and advising the Commission about good practices.

Financial reporting (which may cover):

- Review financial statements and associated narrative reports for accuracy prior to submission to the Commission.
- Advising the Commission on the preparation and review of the NTC's annual financial statements.
- Monitor the integrity and reliability of NTC's financial information.
- Discuss any issues arising from the full year audit with external auditors.
- Providing any other advice to the Commission about Commissioners' obligations under the PGPA Act and other relevant Acts.
- Review the quality, performance and strength of NTC's financial systems, resources and staff.
- Discuss critical accounting policies, standards and practices with the Commission as necessary.
- Advising the Commission on the adequacy, framework and controls relating to the NTC's internal budgeting and reporting.

6 Use of external auditors

- Oversee NTC relations with any external auditors.
- Approve the terms of engagement and the fees to be paid to external auditors.
- Assess the qualification, expertise, resources independence, objectivity and effectiveness of external auditors and external audit process.
- Discuss the nature and scope of any external audit before it is commenced.
- Review the findings of their work including any major issues arising from the audit (including the management letter). These matters could include:
 - Exercises of material accounting or audit judgements
 - Levels of errors identified (including management explanations) and why certain errors remain unadjusted.
- Review audit representation letters before consideration by the Commission.
- Where necessary, review provision of non-audit activities by external auditors to ensure provision of those services does not impair their independence and objectivity.

7 Performance reporting (which may cover):

- Reviewing the framework for the selection of key performance indicators and other performance measures.
- Advising the Commission on the preparation and review of the NTC's annual performance statement.
- Advising the Commission about action that could be taken on significant matters of concern or significant opportunities for improvement that are mentioned in reports of internal and external audits.

8 Systems of internal control (which may cover):

- Reviewing the adequacy of the controls that are designed to ensure the NTC's compliance with legislation.
- Reviewing the adequacy of the NTC's governance arrangements.
- Reviewing the adequacy of the NTC's internal control environment.