

Reference	
Name	Risk, Audit & Governance Committee
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# NTC Risk, Audit & Governance Committee

## Terms of reference

### 1 Purpose

The primary focus of the NTC Risk, Audit & Governance Committee (RAGC) is to provide an independent view of the system of internal controls over the following:

- Financial reporting;
- Performance reporting;
- Risk management framework and policies; and
- Governance.

The RAGC will seek assurance on these matters and provide advice to the NTC Commission on a regular basis and as requested.

### 2 Objectives

The NTC Risk, Audit & Governance Committee will seek assurance that:

- Major organisational risks have been identified and are subject to periodic risk assessment, mitigation measures are in place where this is deemed necessary and appropriate reporting is maintained.
- Government policies, legislated requirements and any other regulations and relevant matters are being met. This includes (but is not limited to):
  - NTC Act, Inter-governmental Agreement and current Statement of Expectations
  - PGPA Act
  - Applicable WH&S legislation
  - Applicable accounting standards, external audit and other financial requirements
- Governance policies are contemporary and in practice.
- Completion of any other tasks requested of it by the Commission

### 3 Governance

The Risk, Audit & Governance Committee will:

- 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 and the Chief Executive Officer of NTC shall attend Committee meetings as observers.
- Other Commissioners may attend meetings of the Committee as observers.
- External auditors and Chief Audit Officer shall have independent access to the Chair of the Committee at any time.
- The Executive Leader Business & Collaboration shall be the Secretary of the Committee and additional legal, governance and administrative support shall be provided by designated NTC staff as required.
- The Executive Leader Business & Collaboration is designated as the Chief Audit Executive.
- The Committee has the authority to request additional information and to consult with and interview NTC personnel and to consult independent professional advisers it considers appropriate to provide advice on matters within the scope of its remit.

## **4 Meetings**

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- 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 financial statements and reporting, and at other times as requested by the Committee.

## **5 Duties and responsibilities**

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

- Assess the effectiveness of NTC's risk management framework including:
  - NTC risk management policy, enterprise risk matrix and risk mitigation plans
  - NTC business continuity plan
- Advise the Commission about the internal audit plans of the entity, including the professional standards and qualifications of any internal auditors engaged.
- Assess the adequacy of NTC's response to reports from external audits.

### **Financial reporting (which may cover):**

- Assess financial statements and associated narrative reports for accuracy prior to submission to the Commission.
- Seek assurance regarding the integrity of NTC's financial information, processes and systems.
- Provide advice to the Commission about Commissioners' obligations under the PGPA Act and other relevant Acts.
- Provide advice regarding critical accounting policies, standards and practices with the Commission as necessary.

### **Use of external auditors**

- Oversee NTC relations with any external auditors.
- Advise Commissioners on the nature and scope of any external audits and findings, including the adequacy of management's responses.

**Performance reporting (which may cover):**

- Advise the Commission on the preparation and review of the NTC's annual performance statement.
- Advise the Commission about action that could be taken on significant matters of concern or significant opportunities for improvement that are mentioned in reports from external audits.

**Systems of internal control (which may cover):**

- Assess the adequacy of NTC's internal control environment regarding:
  - Financial reporting;
  - Performance reporting;
  - Risk management framework and policies; and
  - Governance.

**Governance (which may cover):**

- Assess the effectiveness of and adherence to the governance framework and associated policies
- Endorse new or amended NTC policies
- Provide advice to the Commission on any Conflict of Interest issues