

# Board Audit and Risk Committee Charter

## 1. Purpose

This Charter sets out the Audit and Risk Committee's (Committee) authority, functions, structure, composition and other administrative arrangements as set out in the *Hospital and Health Boards Act 2011* (HHB Act), *Hospital and Health Boards Regulation 2023* (HHB Reg) and the *Financial Accountability Act 2009* (FA Act).

## 2. Authority

In accordance with schedule 8(1)(b) of the HHB Act, the Board:

- may establish committees of the Board for effectively and efficiently performing its functions, and
- must establish the committees prescribed under a regulation.

In accordance with part 9 of the HHB Reg, the following committees are prescribed:

- a safety and quality committee,
- a finance committee, and
- an audit committee.

In accordance with section 32A of the HHB Act, the Board must also establish, as a committee of the Board, an Executive Committee for the Service controlled by the Board.

These committees are advisory in nature and hold no decision-making power unless granted by Board resolution and documented in the Board Delegations Register. The committees may examine any matter in relation to their functions as they see fit or as requested by the Board. Where a matter for consideration is beyond the scope of a committee's function, the decision is to be referred to another committee of the Board where relevant, or to the Board.

The FA Act (section 61) also imposes significant responsibilities on accountable officers and statutory bodies, including:

- to achieve reasonable value for money by managing the agency efficiently, effectively, and economically,
- to establish and maintain appropriate systems of internal control and risk management,
- to establish and keep funds and accounts in compliance with the prescribed requirements, and
- to ensure annual financial statements are prepared, certified and tabled in Parliament in accordance with the prescribed requirements.

## 3. Functions

### Financial Statements

- Reviewing the appropriateness of accounting policies.

- Reviewing the appropriateness of significant assumptions made by Management in preparing the financial statements.
- Assessing WMH's complex or unusual transactions or series of transactions, or any material deviation from WMH's budget (section 47, HHB Reg).
- Assessing the adequacy of WMH's financial statements, having regard to the following:
  - The appropriateness of the accounting practices used.
  - Compliance with accounting standards prescribed under the FA Act.
  - Information provided by WMH about the accuracy and completeness of the financial statements.
  - External audits of WMH's financial statements (section 47, HHB Reg).
- Reviewing, with Management and the internal and external auditors, the results of the external audit and any significant issues identified.

### **Risk Management**

- Reviewing the risk management framework used for identifying, monitoring and managing significant business risks, including fraud, cyber security risk, asset management risk and material projects.
- Liaising with Management to ensure there is a common understanding of the key risks to WMH. These risks will be clearly documented in a risk register that will be regularly reviewed to ensure it remains up to date.
- Reviewing the effectiveness of WMH's processes for identifying, managing and escalating risks, particularly strategic risks.
- Satisfying itself that insurance arrangements are aligned with the risk management framework, where appropriate.
- Assessing and contributing to the audit planning processes relating to WMH's risks, both threats and opportunities.

### **Internal Control**

- Reviewing, through the internal and external audit functions:
  - the adequacy of the internal control structure and systems, including information technology security and control and cyber risk, and
  - whether relevant policies and procedures are in place and up to date, including those for the management and exercise of delegations, and whether they are being complied with in all material matters.
- Monitoring and advising the Board about its internal audit function.

### **Internal Audit**

- Reviewing and endorsing the proposed Internal Audit Plan, its scope and progress, and any significant changes to it, including any difficulties or restrictions on scope of activities, or significant disagreements with Management.
- Reviewing and endorsing for Board approval the proposed internal audit strategic plan and annual plan to ensure they cover key risks and that there is appropriate co-ordination with the external auditor.
- Reviewing the findings and recommendations of internal audit and Management's responses to them.
- Reviewing the implementation of internal audit recommendations accepted by Management.
- Ensuring there is no material overlap between the internal and external audit functions.
- Reviewing and endorsing for Board approval the Internal Audit Charter biennially to ensure the appropriate authority, access and reporting arrangements are in place.

- Reviewing the appointment and termination of the Manager Internal Audit.
- Reviewing and assessing performance of the internal audit operations against the annual and strategic audit plans.
- Monitoring developments in the audit field, standards issued by professional bodies and other regulatory authorities and QAO's reports and recommendations tabled in Parliament, to encourage the usage of best practice by internal audit.

#### External Audit

- Overseeing WMH's liaison with the Queensland Audit Office in relation to WMH's proposed audit strategies and plans (section 47, HHB Reg).
- Assessing external audit reports for WMH and the adequacy of actions taken by WMH as a result of the reports (section 47, HHB Reg).
- Consulting with external audit on the function's proposed audit strategy and audit plan for the year.
- Reviewing the findings and recommendations of external audit and Management's response to them.
- Assessing whether there is a material overlap between the internal and external audit plans.
- Reviewing the implementation of external audit recommendations accepted by Management and, where issues remain unresolved, ensure that satisfactory progress is being made to mitigate the risk associated with the audit's findings.
- Meeting with the external auditors, without Management present, at least once a year.

#### Compliance

- Monitoring WMH's compliance with its obligation to establish and maintain an internal control structure and systems of risk management under the FA Act, including whether WMH has appropriate policies and procedures in place and is complying with the policies and procedures (section 47, HHB Reg).
- Monitoring the adequacy and effectiveness of WMH's management of legal and compliance risks and internal compliance systems, including the effectiveness of the systems in monitoring compliance by WMH with relevant laws, regulations, government policies and significant internal policies, frameworks and procedures (section 47, HHB Reg).
- Reviewing the findings of any examinations by regulatory agencies and any audit observations.
- Reviewing the business continuity arrangements, including annual testing of the plan and related processes.

#### Other Functions

- Any other function given to the Committee by the Board, if the function is not inconsistent with a function mentioned above (section 47, HHB Reg).

## 4. Relationships

- **Internal Audit:** The Committee will act as a forum for internal audit and oversee its planning, monitoring and reporting processes. This process will form part of the governance processes to ensure the WMH Internal Audit function operates effectively, efficiently and economically. The Chair and other independent members will hold executive sessions with the Manager Internal Audit during each Committee meeting and other times, if required.

**External Audit:** The Committee has no power of direction over external audit or the manner in which the external audit is planned or undertaken. The Committee will act as a forum for the consideration of external audit findings and will ensure that they are balanced with the views of Management. The Chair and other independent members will hold executive sessions with the external auditors, if required.

## 5. Reporting to the Board

The Committee will provide reports to the Board detailing its considerations and recommendations to the Board.

The minutes of each Committee meeting will be provided to the subsequent Board meeting or, if the subsequent Board meeting occurs within one week of the Committee meeting, the minutes will be provided to the following Board meeting.

The Committee must also, as soon as practicable after the end of each financial year, give the Board a report about the Committee's operations for the year, as required by section 30(5) of the *Financial and Performance Management Standard 2009*.

## 6. Membership

The Committee consists of members who have an appropriate mix of skills and experience that enable the Committee to perform all its functions effectively. These requirements are outlined in section 4 of the Queensland Treasury publication, [Audit Committee Guidelines – Improving Accountability and Performance \(October 2023\)](#).

Members include:

- The Chair of the Committee who must be a member of the Board. The Chair is decided by the Board.
- At least two other Board members, decided by the Board.

At least one member will be a financial expert and at least one member will have expertise in the health sector. Where the necessary skills do not exist on the Board, the Board may appoint an external member of the Committee.

Members are not permitted to appoint a proxy to attend a meeting on their behalf.

Attendees at Committee meetings comprise all members plus the following:

- Health Service Chief Executive (HSCE)
- Chief Finance Officer (CFO) for any part of the meeting where the Committee considers external audit matters.
- Manager Internal Audit (MIA) including at an in-camera session in each meeting.
- Manager Corporate Governance (MCG) for any part of the meeting where the Committee considers governance, risk or compliance matters.
- The external auditor and members of the external auditor's staff, as appropriate.

The Committee Chair may invite other attendees that assist the Committee to achieve its functions.

The Board will review the Committee's composition as the need arises, but no less than annually.

## 7. Conduct of Meetings

### Meeting Schedule

- The Committee will meet at least four times per year, or as frequently as required by the Board.
- The Chair may call a meeting at any time.
- The Chair is responsible for setting the meeting agenda.

### Assistance

The Board Secretary will provide assistance to the Committee including but not limited to:

- Organising Committee meetings and attendance.

- Circulating the agenda, papers and other reports in coordination with the Chair and HSCE.
- Drafting the minutes and resolutions and managing the actions register.
- Drafting papers where required.
- Providing a point of reference for communication between the Committee and the Executive Leadership Team.

### Quorum

A quorum for a meeting of the Committee is one-half of the number of its members, or if one-half is not a whole number, the next highest whole number.

### Minutes

Minutes of meetings approved by the Committee Chair will be distributed to members by the Board Secretary as soon as practicable after each meeting and tabled for confirmation at the next Committee meeting.

### Written Resolutions

Urgent matters can be progressed out-of-session with the agreement of the Committee Chair. The Board Charter outlines processes for written resolutions of the Board and Board committees.

### Conflicts of Interest

- This must be a standing item on the agenda and any conflicts of interest disclosed shall be noted in the minutes and recorded on the Conflicts of Interest Register.
- Individual members will not participate in discussions and will not vote on any issue in respect of which that member has an actual, potential or perceived conflict.

## 8. Committee Evaluation

Unless otherwise determined by the Board, the Board will undertake an annual assessment of the Committee's performance, including its performance against the requirements of this Charter. Following each assessment, the Board will consider what, if any, actions need to be taken to improve the Committee's performance.

## 9. Confidentiality and Access

Members of the Committee may receive information that is regarded as 'commercial in confidence' or clinically confidential or that has privacy implications. Members acknowledge their responsibility to maintain confidentiality of all information that is not in the public domain. This responsibility includes, but is not limited to, the obligations on Board Members outlined in *Part 7 – Confidentiality* of the HHB Act.

Members of the Committee must ensure that all confidential or sensitive information is stored securely and otherwise in accordance with the requirements of the *Public Records Act 2002*. Committee members must notify the Chair if they believe that confidential or sensitive information has been accessed by anyone other than the Committee member.

The Committee has full, free and unrestricted access to all records, documentation and physical property and personnel as may be required to fulfil its responsibilities. WMH employees and management are expected to make themselves available to the Committee and to provide frank, truthful and meaningful answers to questions asked by Committee members.

## 10. Charter Review

The Board will review this Charter as the need arises, but at least once every two years. Any changes to this Charter must be approved by the Board.

**11. Publication of this Charter**

A copy of this Charter will be made available at [www.westmoreton.health.qld.gov.au](http://www.westmoreton.health.qld.gov.au).

**12. Business Rules**

This Committee Charter should be read in conjunction with the Board Charter. The Board Charter outlines the general provisions and corporate governance framework that also apply to Board committees.

**13. Revision History**

Version	Date	Comments
2.0	24 April 2015	Rewrite of Audit and Risk Committee Charter
3.0	14 October 2016	Rewrite of the Audit and Risk Committee Charter
4.0	27 July 2018	Rewrite of the Audit and Risk Committee Charter (reinstatement to Version 2.0 with some amendments)
5.0	04 December 2020	Rewrite of the Audit and Risk Committee Charter
6.0	25 November 2022	Rewrite of the Audit and Risk Committee Charter: minor amendments
7.0	02 June 2023	Rewrite of the Audit and Risk Committee Charter: minor amendments with respect to attendance by the Principal Internal Auditor.
8.0	27 March 2026	Rewrite of the Audit and Risk Committee Charter.

This Charter was approved by the Board at its meeting on 27 March 2026.

<Signature kept on file >

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Ms Sue Scheinpflug

Chair, West Moreton Hospital and Health Board