



Wine
Australia
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Wine

Created	May 2019
Prepared by	General Counsel
Approved by	May 2019 (Board)
Date of last review/approval	24 June 2024
Responsibility	Board
Next date of review	As per Policy Review Schedule

Approval

These terms of reference and any variations must be approved by the Board.

Purpose

This document defines the authority, responsibilities, membership and operations of the Audit and Risk Committee.

Legislative requirements

Section 45(1) of the *Public Governance and Accountability Act 2013* (PGPA Act) requires the Board to establish an audit committee. In furtherance of that requirement, the Board has established the Audit and Risk Committee.

In accordance with section 45(2) of the PGPA Act, an Audit and Risk Committee must be constituted, and perform functions in accordance with requirements prescribed by section 17 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

Section 17 of the PGPA Rule prescribes the functions and membership the Audit and Risk Committees as summarised below.

Functions

The Board must determine the functions of the Audit and Risk Committee.

In accordance with section 17 of the PGPA Rule, the functions of the Audit and Risk Committee must include reviewing:

- financial reporting
- performance reporting
- system of risk oversight and management, and
- system of internal control.

Authority

The Audit and Risk Committee is authorised by the Board to:

- conduct investigations and undertake work to effectively and efficiently carry out the responsibilities set out in these terms of reference and to achieve the responsibilities of the Audit and Risk Committee
- have full access to the external auditors and, with the knowledge of the Chief Executive Officer, have full access to records and to staff
- be furnished with adequate resources, including administrative support, to allow it to fulfil its responsibilities, and
- subject to approval of the Board and in addition to the expenses anticipated in annual budget forecasts, incur expenses in connection with the use of outside experts for special projects (in accordance with the Procurement Policy).

Responsibilities

The Audit and Risk Committee may:

Financial reporting and planning

- advise the Board on the preparation and review of the annual financial statements
- advise the Board on their obligations under the PGPA Act and Rule and other relevant legislation in relation to audit and financial matters
- advise the Board on internal budgeting and reporting
- review the preparation and presentation of financial accounts, budgets, forecasts and reports including Annual Operational Plans and Annual Financial Statements
- review financial statements, budgets and forecasts prior to their submission to the Board,
- liaise with external auditors to discuss the quality of accounting principles, material judgements and other matters that the Committee or the external auditors deem appropriate

Performance reporting and planning

- review the framework for the selection of key performance indicators and other performance measures
- advise the Board on the preparation and review of the entity's annual performance statement
- advise the Board about actions that could be taken on significant matters of concern or significant opportunities for improvement that are mentioned in reports of internal and external audits

- monitor the development and implementation of the Strategic Plans and Annual Operational Plans.

Maintenance of system of risk oversight and management

- advise the Board about the internal audit plans
- evaluate and approve the annual plans of the internal audit function
- annually evaluate the performance of the internal audit function and report the results to the Board
- advising the Board about the professional standards to be used by internal auditors in the course of carrying out audits
- as far as practicable, coordinate work programs relating to external audits
- review the adequacy of the response to reports of internal and, as far as practicable, external audits
- review the content of reports of internal and external audits to identify material that is relevant and advise the Board about good practice of same
- review the Risk Management Policy and Framework at least annually
- review significant accounting policy and statutory reporting changes that affect operations
- review the exposure to risk by reviewing auditors' reports and developing appropriate policy and strategies to manage risk

Maintenance of system of internal control

- review the adequacy of the controls that are designed to ensure the compliance with legislation
- review the adequacy of the governance arrangements, and
- review the adequacy of the internal control environment.

Membership

- Consistent with section 17(3) of the PGPA Rule, the Audit and Risk Committee shall be comprised of at least three members whom have appropriate qualifications, knowledge, skills or expertise to assist it with the discharge of its responsibilities.
- The Board may appoint external members of the Audit and Risk Committee (being individuals who are not directors or employees of Wine Australia).
- The Board will appoint a member of the Audit and Risk Committee to be the Chair of the Audit and Risk Committee.
- The Audit and Risk Committee may appoint one of its members to be the Deputy Chair of the Committee.

- Consistent with section 17 of the PGPA Rule, none of the following may be members of the Audit and Risk Committee:
 - The Chair
 - The Acting Chair
 - In the absence of a Chair or an Acting Chair, the Deputy Chair
 - The Chief Executive Officer (or equivalent)
 - The Chief Financial officer (or equivalent)
 - Employees other than an employee engaged primarily for the purpose of being a member of the Audit and Risk Committee.
- Members of the Audit and Risk Committee should collectively have expertise or knowledge in:
 - the grape and wine sector
 - risk identification, evaluation and management
 - project and program management
 - information management and security
 - the operations of government and the public sector including information technology systems and controls
 - the roles of internal and external audits
 - relevant legislative and other policy requirements of the entity
 - public sector reporting requirements, including financial and performance reporting, and
 - internal control, compliance activities and fraud control.

Term of office

Directors that are members of the Audit and Risk Committee will hold office until either:

- the expiration of the period set by the Board in making the appointment (which must not exceed three years)
- the member ceases to be a Director of Wine Australia
- the member resigns from being a member of the Audit and Risk Committee
- the member becomes ineligible to be a member of the Audit and Risk Committee (for example, if they become the Chair of the Board), or
- the Board terminates the appointment.

Independent members of the Audit and Risk Committee will hold office until either:

- the expiration of the period set by the Board in making the appointment (which must not exceed three years)
- the member terminates his or her arrangement with the Board
- the member becomes ineligible to be a member of the Audit and Risk Committee (for example, they become the Chair of the Board)
- the Board terminates the appointment, or
- three years after the appointment is made (whichever occurs first).

Audit and Risk Committee members may be reappointed upon their initial tenure and subsequent tenures expiring.

Conflicts of Interest and Material Personal Interests

Members must disclose conflicts of interests and material personal interests in accordance with Wine Australia's *Material Personal Interests and Conflicts of Interests Policy (Board)* (PN05).

The same process for dealing with conflicts of interests and material personal interests at Board meetings must be followed at Audit and Risk Committee meetings.

The Chair must call for disclosures of conflicts of interests and material personal interests at the beginning of each Audit and Risk Committee meeting.

Confidentiality

All proceedings of the Audit and Risk Committee, including discussions, papers, presentations and other material provided to the Committee, must be kept confidential except as required by law or as approved by the Board.

Meetings

- The Audit and Risk Committee will meet as agreed and at least four times each year at regular intervals.
- The Chair shall call a meeting if required to do by the Chair of the Board and shall decide whether or not to call a meeting at the request of another member of the Audit and Risk Committee. The Chair must call a meeting at the written request of two or more members of the Audit and Risk Committee.
- A majority of members will constitute a quorum.
- If the Chair is absent from a meeting, the remaining members of the Audit and Risk Committee must appoint one of those members to preside over the meeting
- Meetings may be held face-to-face or through any technological means by which members can participate in discussion.
- Any matters requiring decision will be decided by a majority vote of members present.

- The Chair or presiding member may approve attendance by employees and/or external advisors at meetings.

Secretary, papers and minutes

- The Chief Financial Officer or his or her delegate shall act as secretary for the Audit and Risk Committee and be responsible for:
 - preparation and despatch of Committee agenda and papers, and
 - preparation of minutes.
- Members will receive relevant papers a reasonable time before each meeting.
- Meeting minutes will be approved by the Chair or presiding member and then circulated to all members. Minutes shall be confirmed at the next meeting of the committee and then signed by the Chair.

Review

These terms of reference will be reviewed as required and at least once every three years. Any amendments to these terms of reference must be approved by the Board.

Document control

Document revision history			
Date	Section	Summary of revision	Approval
May 2019	All	Reviewed post the April 2019 Audit and Risk Committee meeting	May 2019
Oct 2019	Maintenance of system of risk oversight and management	Amended to incorporate internal audit function.	Oct 2019
Nov 2019	Membership	Amended to allow appointment of an external members.	Nov 2019
May 2020	All	Full review – insert reference to legislative requirements; insert information about tenure of members; insert reference to process for disclosing and dealing with conflicts of interests and material personal interests.	16 June 2020
May 2021	All	Full review (no changes made)	23 June 2021
June 2023	All	Full review, only minor changes made	5 June 2023
June 2024	All	Full review, only minor changes made	24 June 2024