CLIMATE CHANGE AUTHORITY

Audit Committee Charter

v3.0 September 2026

Australian Government
Climate Change Authority

Contents

1. Role and Purpose of the Audit Committee 3
2. Functions of the Audit Committee 3
   - Financial reporting 3
   - Performance reporting 4
   - System of risk oversight and management 4
   - System of Internal control 5
     - Internal Control Framework 5
     - Legislative and Policy Compliance 5
     - Security Compliance 5
     - Internal audit 5
   - Additional Responsibilities 5
     - External Audit 5
     - Ethical and Lawful Conduct 6
     - Business Continuity 6
3. Authority 6
4. Membership 6
5. Administrative Arrangements 7
   - Audit Committee Meetings 7
   - Private Sessions 7
   - Secretariat Support 7
   - Work Planning 7
   - Reporting 7
   - Annual Reporting Requirements 8
   - Declarations of Interest 8
   - Review of Charter 8
   - Review of Remuneration 8
   - Review of Functions 8
6. Definitions / Acronyms 9
7. Document control 10
   - Change and approval history 10
   - Contact 10

1. Role and Purpose of the Audit Committee

1.1 The Chief Executive Officer (CEO), as the accountable authority of the Climate Change Authority (the Authority), has established the Audit Committee (the Committee) under section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 17 of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule).

1.2 The Audit Committee is an independent advisory committee established under section 45 of the PGPA Act that provides advice to the CEO on financial reporting, performance reporting, risk management, internal controls, governance, and oversight of the internal audit function.

1.3 The Committee will review the financial reporting process to support the balance, transparency and integrity of published financial information and compliance with relevant accounting standards and requirements. It will also review whether internal audit coverage is appropriately aligned with the Authority's key risks.

1.4 The Authority's process for monitoring compliance with financial laws and regulations and its own internal policies, such as the Accountable Authority Instructions will also be appraised by the Committee.

1.5 In performing its functions, the Committee will maintain an appropriate understanding of the Authority's operating environment, the CEO's risk appetite and the Authority's governance arrangements. It will have regard to relevant legislation, policies, standards and guidance, including the PGPA Act, PGPA Rule, Australian Accounting Standards, Commonwealth Performance Framework and Commonwealth Risk Management Policy.

2. Functions of the Audit Committee

2.1 Subsections 17(1) and 17(2) of the PGPA Rule establish mandatory functions for audit committees. Consistent with those requirements, the Committee will review the appropriateness of the accountable authority's:

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

Financial reporting

2.2 The Committee will review the appropriateness of the accountable authority's financial reporting for the Authority, in compliance with subsection 17(2)(a) of the PGPA Rule. To fulfill this function the Committee will:

- Review and provide advice on the appropriateness of:
  - processes and systems for preparing financial reporting information
  - financial record-keeping and key internal controls, and
  - management certifications and representations supporting the annual financial statements.
- Review the annual financial statements and information requested by the Department of Finance in preparing the Australian Government's consolidated financial statements, including the supplementary reporting package, and provide advice to the CEO on their appropriateness and readiness for signing.
- Provide advice on the appropriateness of processes in place to ensure the Authority remains informed of changes to financial reporting requirements and guidance throughout the year.



The Committee must provide an annual written statement to the CEO on whether, in its view, the annual financial statements and additional financial reporting comply with the PGPA Act, PGPA Rule, Australian Accounting Standards and supporting guidance, and whether the Authority's financial reporting as a whole is appropriate, including any areas of concern or suggestions for improvement.

Performance reporting

2.3 The Committee will review the appropriateness of the accountable authority's performance reporting for the Authority, in compliance with subsection 17(2)(b) of the PGPA Rule. To fulfil this function the Committee will:

- review the appropriateness of the Authority's performance reporting including the performance information, systems and framework, and the completeness and accuracy of the performance reporting processes that underpin the Authority's performance reporting. Specifically, the Committee will satisfy itself that:
  - the Authority's Portfolio Budget Statements and Corporate Plan contain appropriate details of how performance will be measured and assessed
  - the Authority's approach to measuring performance throughout the financial year against the performance measures included in the Portfolio Budget Statements and Corporate Plan is appropriate and consistent with the Commonwealth performance framework
  - appropriate records, systems and evidence are maintained to support the measurement, assessment and reporting of performance results, and
  - the Authority has appropriate systems and processes for preparation of its annual performance statement and inclusion of the statement in the annual report.



The Committee must provide an annual written statement to the CEO on whether, in its view, the annual performance statements and performance reporting as a whole are appropriate and comply with the PGPA Act and PGPA Rule, including any areas of concern or suggestions for improvement.

System of risk oversight and management

2.4 The Committee will review the appropriateness of the accountable authority's system of risk oversight and management for the Authority, in compliance with subsection 17(2)(c) of the PGPA Rule. To fulfil this function the Committee will:

- Review whether management has in place a current and comprehensive enterprise risk management framework and associated procedures for the effective identification, assessment, management and monitoring of the Authority's business and financial risks, including fraud and corruption risks, consistent with the Commonwealth Risk Management Policy.
- Review whether a sound and effective approach has been adopted in managing the Authority's major risks including those associated with projects, program implementation, and operational activities;
- Assess the effectiveness of the Authority's enterprise risk management framework and its contribution to the Authority's control environment.
- Review the process for developing, implementing and maintaining the Authority's fraud and corruption control arrangements and satisfy itself that appropriate processes and systems are in place to detect, capture and effectively respond to fraud and corruption related information.
- Review reports on fraud and corruption including identified allegations, the status of any ongoing investigations and any changes to identified fraud and corruption risks in the Authority.
- Confirm that key roles and responsibilities for risk management are clearly defined, communicated and understood, and that appropriate accountability arrangements are in place.



The Committee must provide an annual written statement to the CEO on whether, in its view, the Authority's system of risk oversight and management as a whole is appropriate (with reference to the Commonwealth Risk Management Policy), including any specific areas of concern or suggestions for improvement.

System of Internal control

2.5 The Committee will review the appropriateness of the accountable authority's system of internal control for the Authority, in compliance with subsection 17(2)(d) of the PGPA Rule. To fulfil this function, the Committee will review and provide advice on the following matters.

Internal Control Framework

2.6 Review management's approach to maintaining an effective internal control framework and whether appropriate processes are in place to assess compliance with key policies, procedures and internal controls.

2.7 Review whether relevant policies, delegations, instructions and procedures are current, appropriately approved, effectively communicated and subject to proportionate monitoring and assurance.

Legislative and Policy Compliance

2.8 Review the effectiveness of the system for monitoring the Authority's compliance with applicable legislation, regulations and associated government policies.

2.9 Determine whether the Senior Executives have appropriately considered legal and compliance risks as part of the Authority's enterprise risk management framework, fraud and corruption control framework and planning processes.

2.10 Provide advice to the CEO regarding the Authority's annual Compliance Report.

Security Compliance

2.11 Review the Senior Executive's approach to maintaining an effective protective security framework including complying with the Protective Security Policy Framework (PSPF).

Internal audit

2.12 Review whether internal audit coverage is aligned with the Authority's key risks and, based on the advice received from management, endorse the Internal Audit Program, and any material amendments, to the CEO for approval.

2.13 Review internal audit reports and provide advice to the CEO on significant issues identified, including management responses, implementation of agreed actions and opportunities to improve governance, risk management and internal controls.

2.14 Review the performance, independence, resourcing and effectiveness of the internal audit function, including consideration of the results of any independent external quality assessments.



The Committee must provide an annual written statement to the CEO on whether, in its view, the Authority's system of internal control as a whole is appropriate, including any areas of concern or suggestions for improvement.

Additional Responsibilities

2.15 The Authority requires the Committee to undertake the following additional functions beyond those prescribed by the PGPA Rule.

External Audit

2.16 The Committee will:

- maintain oversight of the Authority's relationship with external audit and consider significant matters arising from external audit activities, provide input and feedback on financial statement and performance audit coverage proposed by external audit, and provide feedback on the audit services provided
- review all external audit plans and reports relating to planned or completed audits and monitor management's response and implementation of audit recommendations, and
- provide advice to the CEO on action to be taken on significant issues raised in relevant external audit reports or better practice guides.

Ethical and Lawful Conduct

2.17 The Committee will assess whether the CEO has taken appropriate steps to promote a culture that supports the proper use of Commonwealth resources and is committed to ethical and lawful behaviour.

Business Continuity

2.18 The Committee will review whether a sound and effective approach has been adopted in establishing and maintaining the Authority's business continuity planning arrangements, including whether plans are current and have been periodically tested.

3. Authority

3.1 The CEO authorises the Committee, in performing its functions and within the scope of the responsibilities outlined in this Charter, to:

- conduct or authorise investigations into any matters within the Committee's scope of responsibilities outlined in this Charter. This includes advising the CEO to engage independent counsel and other advisors as it deems necessary to assist in the conduct of any investigation
- have direct access to the CEO and the Chief Financial Officer (CFO)
- have unrestricted access, including requiring attendance at Committee meetings, to officers of the Authority whose work is relevant to the Committee's scope of responsibilities
- have unrestricted access to Authority information necessary for the Committee to operate effectively
- have direct access to external audit and, where appropriate, the internal audit function, and
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4. Membership

4.1 The composition of Audit Committee membership is prescribed by subsections 17(3) to 17(5) of the PGPA Rule.

4.2 As the Authority is a non-corporate Commonwealth entity:

- all members of the Committee must not be officials of the Authority, and
- a majority of members must not be officials of any Commonwealth entity.

4.3 The CEO and CFO must not be members of the Committee.

4.4 The Committee will comprise at least 3 and no more than 6 members, including the Chair, appointed by the CEO for an initial term of not more than 3 years. Members may be reappointed for one further term of up to 2 years. Any further reappointment may occur only where approved by the CEO, having regard to the skills, experience, independence and continuity requirements of the Committee.

4.5 Members must maintain their independence, objectivity and professional judgement and avoid circumstances that may give rise to actual, potential or perceived conflicts of interest.

4.6 The CEO will appoint a Chair for the Committee. The Committee is authorised to appoint a Deputy Chair who will act as Chair in the absence of the Chair.

4.7 Consistent with subsection 17(3) of the PGPA Rule, members will collectively possess an appropriate mix of skills and experience to enable the Committee to discharge its responsibilities. This should include capability in financial reporting, risk management, governance, assurance, performance reporting and the public sector operating environment. At least one member should have accounting or related financial management experience and an understanding of accounting and auditing standards in a public sector environment.

4.8 The CEO will review membership of the Committee at least once every 3 years.

4.9 New Committee members are provided with all relevant information necessary to assist them in meeting their responsibilities.

5. Administrative Arrangements

Audit Committee Meetings

5.1 The Committee will meet at least 3 times per year.

5.2 Meetings will be scheduled in accordance with an annual Work Plan approved by the Committee. Additional meetings may be convened as required at the discretion of the Chair or at the request of the CEO.

5.3 The CEO, CFO and any other persons the Committee invites may attend Audit Committee meetings as observers.

5.4 Representatives of external audit will be invited to attend all meetings of the Committee as observers.

5.5 A quorum for a meeting is a majority of appointed members.

Private Sessions

5.6 The Committee may meet separately with external audit, internal audit providers and management, without other attendees present, whenever it considers appropriate.

Secretariat Support

5.7 The Authority will provide secretariat support to the Committee as determined by the CEO.

5.8 The Secretariat will ensure that:

- the Chair approves the agenda for each meeting
- agendas and supporting papers are circulated at least 5 business days before each meeting, and
- minutes of each meeting are prepared and maintained.

5.9 The Secretariat will prepare any reports required by law or requested by the CEO for consideration by the Committee.

5.10 Minutes must be reviewed by the Chair and circulated in a timely manner to members, committee advisers and observers, as appropriate. Minutes will record the Committee's decisions, recommendations, action items and any declared conflicts of interest.

Work Planning

5.11 The Authority will develop an annual Work Plan for the Committee’s approval, based on the Committee’s responsibilities and the major issues it has identified for consideration.

Reporting

5.12 The Committee may report any matter it considers sufficiently significant at any time. The CEO will respond to recommendations of the Committee either at the next Committee meeting or as otherwise agreed with the Chair.

5.13 The Committee will, as often as necessary, report to the CEO on its operations and activities during the year against the responsibilities outlined in this Charter.

Annual Reporting Requirements

5.14 Section 17AG of the PGPA rule requires the Authority's annual report to include:

- a direct electronic address of the Charter
- the name of each Audit Committee member during the reporting period
- the qualifications, knowledge, skills or experience of those members
- attendance information for each member, and
- the remuneration of each member.

Declarations of Interest

5.15 At least once each financial year, members must provide a declaration of interests and disclose any actual, potential or perceived conflicts that may affect their responsibilities as Committee members.

5.16 Members must declare any conflicts of interest at the commencement of a meeting or before consideration of the relevant agenda item. Details of declared conflicts must be documented and managed to the satisfaction of the Chair (or the CEO in the case of the Chair).

5.17 Where a real, potential or perceived conflict of interest exists, the Chair may determine that a member should not participate in discussion or decision-making on the relevant matter. This decision resides with the Chair (or the CEO in the case of the Chair).

Review of Charter

5.18 The Committee will review this Charter at least annually, including consultation with the CEO.

5.19 Any changes to the Charter will be recommended by the Committee and formally approved by the CEO.

Review of Remuneration

5.20 The CFO will review member remuneration at least every 2 years, in consultation with the CEO.

Review of Functions

5.21 The Committee Chair, in consultation with the CEO, will initiate a review of the Committee's performance once every 2 years. The review will be conducted on a self-assessment basis (unless otherwise determined by the CEO) with appropriate input sought from the CEO, CFO, committee members, external audit and any other relevant stakeholders.

5.22 The review will assess the Committee's effectiveness in discharging its responsibilities, the adequacy of the Charter, membership composition, meeting processes and stakeholder engagement.

6. Definitions / Acronyms

Name	Acronym	Definition
Audit Committee	AC	An independent committee established under section 45 of the PGPA Act to provide independent advice to the Accountable Authority on financial reporting, performance reporting, risk oversight, internal controls and governance arrangements.
Accountable Authority	AA	The person responsible under the PGPA Act for the governance, performance and accountability of the Authority. For the Climate Change Authority, this is the Chief Executive Officer.
Australian National Audit Office	ANAO	The independent statutory authority responsible for auditing Australian Government entities and reporting to Parliament.
Chief Executive Officer	CEO	The Accountable Authority of the Climate Change Authority.
Climate Change Authority	CCA	The independent statutory authority established under the Climate Change Authority Act 2011.
Chief Financial Officer	CFO	This is the senior executive responsible for the Authority's financial management, including budgeting, financial reporting, governance, risk management, procurement oversight, and ensuring the Authority meets its financial and legislative obligations.
Conflict of Interest	COI	A situation where personal interests, relationships or other duties may improperly influence, or be perceived to influence, a person's judgement or decision-making.
Enterprise Risk Management	ERM	The framework, policies and processes used to identify, assess, manage and monitor risks across the Authority.
Fraud and Corruption Control	FCC	The policies, procedures and activities implemented to prevent, detect and respond to fraud and corruption risks.
Internal Audit	IA	An independent assurance and advisory activity that evaluates and improves the effectiveness of governance, risk management and control processes.
Portfolio Budget Statements	PBS	Australian Government Budget documents that set out the outcomes, programs and performance information for entities.
Public Governance, Performance and Accountability Act 2013	PGPA Act	The principal Commonwealth legislation governing the use and management of public resources.
Public Governance, Performance and Accountability Rule 2014	PGPA Rule	The legislative instrument supporting and supplementing the PGPA Act, including requirements for Audit Committees.
Protective Security Policy Framework	PSPF	The Australian Government policy framework for managing protective security risks.
Risk Management		Coordinated activities undertaken to identify, assess, treat, monitor and report risks that may affect the Authority's objectives.
Work Plan		The annual program of activities and responsibilities to be considered by the Audit Committee during the year

7. Document control

Name	Audit Committee Charter
Version	3.0
Approval	Approved by Kath Rowley, CEO on 9 November 2026
Date of effect	1 October 2026
Review date	September 2027
Policy owner	Assistant Manager, Procurement and Audit / Corporate Branch

Change and approval history

Version	Date	Name/Position	Revision/approval
1.0	Sept 2023	Sam MacCready	Issued Charter
2.0	Sep 2025	Iain McLardie	Updated to reflect current practises
3.0	Sep 2026	Iain McLardie	Updated to reflect current practises and refreshed with new template

Contact

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