

**ANSTO Board: Risk and
Audit Committee Charter
AB-2098**

Purpose

The ANSTO Risk and Audit Committee (RAC or Committee) has been established by the ANSTO Board (Board) to assist it in fulfilling its responsibilities under the *Australian Nuclear Science and Technology Organisation Act 1987 (ANSTO Act)* and the *Public Governance, Performance and Accountability Act 2013 (PGPA Act)*.

Responsibilities of the Committee

The RAC is responsible for providing independent oversight, advice and assurance to the Board on the appropriateness of ANSTO's systems of risk oversight and management, financial reporting processes, performance reporting arrangements, systems of internal control, and systems to ensure compliance with relevant laws and policies.

The RAC will provide a yearly Work Program to the Board for review prior to the start of the financial year.

The RAC does not have decision making authority and will refer all matters for decision to the Board. However, the Board authorises the RAC, in order to carry out its responsibilities, to:

- lawfully obtain information it requires from any employee or contractor of ANSTO or one of its subsidiaries (subject to relevant legal obligations to protect such information);
- request the attendance of an employee(s) or contractor(s) of ANSTO or one of its subsidiaries at a RAC meeting;
- discuss matters with the external auditor or other external parties (subject to confidentiality considerations);
- obtain independent legal or other professional advice at ANSTO's expense; and
- engage with the Australian National Audit Office (ANAO), as ANSTO's external auditor, in relation to the ANSTO financial statements and performance audit coverage.

Membership

The RAC will consist of three or more non-executive Board members and two or more external representatives. All Committee members, including the RAC Chair, will be appointed by the Board. The RAC may appoint a Deputy Chair to act as Chair in the absence of the Chair. A non-executive Board member's term on the RAC will automatically cease upon the expiry of their term on the ANSTO Board. The term for an external representative will be set out in their appointment letter.

The Chair of the Board, the ANSTO Chief Executive Officer, and the ANSTO Group Chief Financial Officer (or equivalent position) cannot be members of the RAC. All of the members of the RAC must be persons who are not employees of the ANSTO Group.

Committee members should have the appropriate qualifications, knowledge, skills and/or experience to assist the RAC to fulfil its responsibilities, including: an understanding of systems of risk oversight and management; and finance and systems of internal control. At least two members should have accounting or related financial management experience and/or qualifications, commensurate with the scope of ANSTO activities, and a comprehensive understanding of accounting and auditing standards. At least one member should have an understanding and experience of nuclear and radiation contexts and the associated risks and costs.

Membership of the RAC will be reviewed by the Board periodically, at least every three years, against the skills matrix to ensure there is a suitable mix of qualifications, knowledge, skills and experience on the Committee.

New RAC members will receive relevant information and briefings on their appointment to assist them in meeting their responsibilities. Committee members will receive information and training, at their request, to enable them to keep abreast of developments and leading practices in relation to the RAC's responsibilities.

Responsibilities of Members

Members of the RAC are expected to understand and observe the legal requirements of the ANSTO Act, PGPA Act and related Rules. Members are responsible to study and understand the papers provided; apply good analytical skills, objectivity and good judgment; and express opinions frankly and ask questions that go to the fundamental core of the issues in view. Members are entitled to pursue independent lines of enquiry to achieve the objectives of the RAC.

Conflicts of Interest

At the beginning of each meeting, members must declare any material personal interests that may apply to any matter on the meeting agenda. Where required by the Committee, a member who has made such a declaration will be excused from the meeting or from the consideration of the relevant agenda item(s). The minutes of a meeting shall record the details of any material personal interests declared by the Chair or other members during the meeting and the actions taken.

Meetings

The Committee will meet at least six times per financial year.

The Committee Chair is required to call a meeting if asked to do so by a Committee member or any member of the Board. The Committee Chair is to decide if a meeting is required if requested by internal audit or the ANAO.

A quorum will consist of a majority of Committee members, at least two of whom are non-executive Board members and at least one who is an external representative.

The ANSTO Group Company Secretary is responsible for providing secretariat support to the RAC.

The Chair of the Board and other Board members may attend RAC meetings as observers. Members of management (including the Chief Operating Officer, Group Chief Financial Officer, the Head of Internal Audit and the General Counsel) may attend Committee meetings as advisors or observers by invitation of the RAC Chair.

A representative of the ANAO will be invited to attend all Committee meetings as an observer. The RAC will meet with the ANAO at least once per year without any members of management present.

Reporting

The Chair will report to the Board at the next Board meeting following a Committee meeting regarding matters relevant to the RAC's responsibilities.

The minutes of Committee meetings must be included in the papers for the next Board meeting or, if held in the same Board cycle, the next Board meeting thereafter.

The RAC will at least once annually confirm to the Board that it has carried out all of the functions, responsibilities and obligations detailed in this Charter and in the RAC's Work Program.

RAC Assessment

The performance of the RAC will be reviewed as part of the Board review process. The scope of the review will be determined by the Board Chair in consultation with the RAC Chair and will be aligned with the responsibilities outlined in this charter.

Review of Charter

At least once a year, the RAC will review this Charter and make recommendations to the Board regarding any changes it considers necessary.

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