

# **Special Broadcasting Service Corporation**

## **Audit and Risk Committee Charter**

**April 2026**



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## 1. Preamble

The Special Broadcasting Service Corporation (SBS) Board has established the Audit and Risk Committee in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and PGPA Rule 2014 Section 17 *Audit Committee for Commonwealth Entities*.

## 2. Objective

The Audit and Risk Committee's (ARC or 'the Committee') objective is to assist the SBS Board in discharging its responsibilities to ensure management has adopted sound, robust and accurate policies and procedures in respect of risk oversight, internal control systems, financial and performance reporting, internal audit, external audit and other obligations required under the *Special Broadcasting Service Act 1991*, the *PGPA Act* and other relevant legislation and better practice guidelines.

The Committee is not responsible for the executive management of these functions. The Committee will however engage with and oversee management's approach to the discharge of its responsibilities and formulation of advice relating to these responsibilities to the SBS Board.

## 3. Authority

The Board authorises the Committee, within the scope of its role and responsibilities, to:

- Obtain any information it needs from any official or external party (subject to any legal obligation to protect information);
- Discuss any matters with the Australian National Audit Office (ANAO), or other external parties (subject to confidentiality considerations);
- Request the attendance and co-operation of any employee, including directors, at Committee meetings; and
- Obtain independent legal or other professional advice, as considered necessary to meet its responsibilities, at SBS's expense, subject to the approval of the SBS Chair.

## 4. Composition, Tenure and Attendance

The Board is responsible for the appointment and removal of Committee members. The Committee will consist of at least three members drawn from the Board or independent members who are not SBS directors. All Committee members must be external and have no executive powers or delegated responsibilities whilst acting as a member of the Committee. Committee members, excluding non-executive Board members, may not be employees of SBS.



If a Committee member ceases to be a member of the Board their appointment as a Committee member is automatically terminated with immediate effect.

The Board will appoint a non-executive member as the Committee Chair. The Committee Chair shall not be the SBS Chair. In the absence of the Chair, the Committee is authorised to appoint an alternate member of the Committee present to Chair that meeting. Board directors who are not members of the Committee may attend Committee meetings, as observers.

The Managing Director, Chief Financial Officer, or other management representatives may attend meetings as observers, as determined by the Chair, but will not be members of the Committee. The Audit and Risk Committee may invite and request co-operation of members of management or others to attend meetings from time to time.

A representative of the Australian National Audit Office (ANAO) will be invited to attend all Committee meetings, as an observer. The Head of Internal Audit (or representative of the internal audit service provider) will be invited to attend all meetings, unless the members of the Committee determine otherwise.

The Board will periodically review the Committee membership. At a minimum, the review will be conducted every three years. The aim of the review will be to ensure an appropriate balance exists between:

- membership continuity;
- contribution of fresh perspectives; and
- a suitable mix of qualifications, knowledge, skills and experience.

To enable Committee members to keep abreast of contemporary developments and leading practices in relation to its functions, the Committee will adopt and maintain induction and ongoing training and awareness programs for its members.

Committee members will be appointed for an initial period not exceeding three years after which they will be eligible for extension or re-appointment.

The members, taken collectively, will have a broad range of skills and experience relevant to SBS's operations to assist the Committee to perform its functions. At least one Committee member will have accounting or related financial management experience and/or qualifications, and an understanding of accounting and auditing standards.

## **5. Roles and Responsibilities**

The Committee has no executive powers, unless delegated to it by the Board.



The Committee's responsibilities may be revised or expanded in consultation with, or as requested by, the Board from time to time. These responsibilities cover:

## **5.1. Risk Oversight and Management**

The Committee assists the Board to comply with its responsibility for oversight of the SBS risk management framework. This includes to:

- Assess annually whether management has in place a current and comprehensive risk management framework, and associated procedures/internal controls and insurance arrangements, to operate in alignment with its Risk Appetite Statements and effectively identify and manage SBS's financial and business risks, including consideration of fraud and corruption, climate-related risks and opportunities and a whistleblower process. This includes the making of recommendations to the Board with respect to the appropriate risk appetite for SBS;
- Review whether a sound and effective approach has been followed in developing strategic risk management plans for major projects or undertakings;
- Review whether a sound and effective approach has been followed in establishing SBS's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been updated and tested periodically;
- Review Management's annual attestation to the Committee with respect to the soundness of SBS's risk and compliance framework;
- Review biennially SBS's fraud and corruption control plan and satisfy itself SBS has appropriate processes and systems in place to detect, capture and effectively respond to fraud and corruption risks;
- Review SBS's Environment, Social and Governance Framework; and
- The Committee is to provide its view in relation to the appropriateness of the entity's systems for risk oversight and risk management as a whole, with reference to the entity's risk management framework and any specific areas of concern or suggestions for improvement.

## **5.2. Internal Control Systems**

The Committee's role is to ensure that the internal control systems operating at SBS are robust and fit for purpose. This will include to:

- Review the adequacy of management's approach to maintaining effective internal control systems,



- Review whether management has in place relevant policies and procedures, including Managing Director's Directions and Instructions or their equivalent, and that these are periodically reviewed and updated;
- Determine whether the appropriate processes are in place to assess, at least once a year, whether policies and procedures are complied with;
- Review whether appropriate policies and procedures are in place for the management and exercise of delegations;
- Consider how management identifies any required changes to the design or implementation of internal controls;
- Review the effectiveness of the system for monitoring SBS's compliance with relevant laws, regulations and associated government policies;
- Review whether management has taken steps to embed a culture that promotes the proper use and management of public resources and is committed to ethical and lawful conduct; and
- The Committee will provide its view in relation to the appropriateness of the entity's systems for internal control, with reference to any specific areas of concern or suggestions for improvement.

### **5.3. Financial Reporting**

The Committee is required to review the annual financial statements for compliance with subsection 42(2) of the PGPA Act 2013 and subsection 17(2)(a) of the PGPA Rule, including whether the annual financial statements present fairly SBS's financial position, financial performance and cash flows. The Committee will provide a statement as to whether:

- the annual financial statements, in the Committee's view, comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance; and
- additional entity information (other than financial statements) required by Finance for the purpose of preparing the Australian Government consolidated financial statements (including the supplementary reporting package) comply with the PGPA Act, the PGPA Rules, the Accounting Standards and supporting guidance.

In particular the Committee will consider:

- a) The appropriateness of accounting policies and disclosures, including any significant changes to accounting policies;
- b) Areas of significant judgement and financial statement balances that require estimation;
- c) Significant or unusual transactions;



- d) Sign-off by SBS management in relation to the quality of the financial statements, internal controls and compliance;
- e) The auditor's judgements about the adequacy of SBS accounting policies and the quality of SBS's processes for the preparation of the financial statements, through discussions with the external auditor;
- f) Whether appropriate action has been taken in response to any issues raised by the external auditor, including financial statement adjustments or revised disclosures; and
- g) The appropriateness of processes in place designed to ensure that financial information included in SBS's annual report is consistent with the signed financial statements.

The Committee will provide the Board with its view in respect of the appropriateness of the entity's financial reporting as a whole, with reference to any specific areas of concern or suggestions for improvement

#### **5.4. Performance Reporting**

The Committee's role is to ensure management are capturing, monitoring and reporting the performance of SBS through relevant performance reporting. This will include the following:

- Satisfy itself the annual performance reporting of SBS included in its annual financial report including the annual performance statement, in accordance with the PGPA Act and PGPA Rule, is derived from a reporting framework reflecting SBS key performance indicators and consistent with the SBS Corporate Plan and Portfolio Budget Statement. The Committee will review the completeness and appropriateness of performance reporting of the entity, including compliance with the mandatory requirements of the PGPA Act, PGPA Rule and the Commonwealth performance framework and supporting guidance. The Committee will provide advice to the SBS Board, including a specific recommendation regarding whether or not the annual performance statement, included in the annual financial report, be approved by the Chair on behalf of the Board.
- The Committee to provide its view in relation to the appropriateness of the entity's annual performance statements, and the performance reporting as a whole including compliance with the PGPA Act and Rule, referring to any specific areas of concern or suggestions for improvement.



## **5.5. Internal audit**

The Committee's role is to ensure internal audit is utilised by SBS to maximize the benefit of this independent third line assurance service. This will include:

- Act as a forum for communication between the Board, Senior Management and internal and external audit;
- Review and approve the internal audit coverage and annual work plan, ensure the plan is based on SBS's risk management plan;
- Advise the Board on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit plan;
- Oversee the coordination of audit programs conducted by internal and external audit and other review functions;
- Review all audit reports and provide advice to the Board on significant issues identified in audit reports and action taken on issues raised, including identification and dissemination of good practice;
- Monitor management's implementation of internal audit recommendations;
- Ensure that any non-audit services provided by the internal auditor to the SBS do not result in conflicts of interest and are compatible with the general standard of independence;
- Periodically review the performance, objectivity and independence of internal audit; and
- Consider management's recommendation of the appointment of the internal audit representative (in the case of an in-house internal audit function), or the appointment of an internal audit organisation, and make a recommendation to the Board for approval.

## **5.6. External audit**

The Committee's role is to engage with the external auditors, review and provide input on the external audit work program and review the outputs and findings. This will include the following actions:

- Act as a forum for communication between the Board, Senior Management and internal and external audit;
- Provide input and feedback on the 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 in respect of planned or completed audits and monitor management's implementation of audit recommendations;



- Review the External Auditor's arrangements for the rotation and succession of audit partners or their equivalents;
- Obtain assurance that any non-audit services provided by the external auditor to the SBS do not result in conflicts of interest and are compatible with the general standard of independence;
- Review and provide input on the external audit plan; and
- Provide advice to the Board on action taken on significant issues raised in relevant external audit reports and better practice guides.

## **5.7. Responsibilities of members**

Members of the Committee are expected to understand and observe the legal requirements of the PGPA Act 2013. Members are also expected to:

- Contribute the time needed to study and understand the papers provided;
- Apply good analytical skills, objectivity and good judgment; and
- Express opinions frankly, ask questions that go to the fundamental core of the issue and pursue independent lines of enquiry.

## **6. Reporting**

The Committee will regularly, but at least once a year, report to the Board on matters relevant to the Committee's role and responsibilities. The report should include:

- A summary of the work the Committee performed to fully discharge its responsibilities during the preceding year;
- A summary of SBS's progress in addressing the findings and recommendations made in internal, external and Parliamentary Committee reports;
- An overall assessment of SBS's risk, control and compliance framework, including details of any significant emerging risks or legislative changes impacting SBS; and
- Details of meetings, including the number of meetings held during the relevant period, and the number of meetings each member attended.

In addition to the Committee Board report, the Board is provided with the Minutes of each Committee meeting and also has access to the Audit and Risk Committee papers (via access to them in the 'Board Books Diligent App'). Further the Committee will provide the various statements and views to the Board as set out in this Charter.

The Committee may, at any time, report to the Board any other matter it deems of sufficient importance to do so. In addition, at any time an individual committee member may request a



meeting with the Chair of the Board.

## **7. Administrative Arrangements**

### **7.1. Meetings**

The Committee will meet at least four times per year, with one meeting coinciding with the review of the annual financial statements. The Chair is required to call a meeting if asked to do so by the Board, or another committee member. The Chair will decide if a meeting is required to fulfill the Committee's Charter, if requested by the internal or external auditor.

A forward meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all of the Audit and Risk Committee's responsibilities, as detailed in this charter.

The Committee may ask management to present at Committee meetings on issues relevant to the Committee's roles and responsibilities.

During the End of Financial year Committee meeting all members of management attending the meeting will be excused for a portion of the meeting and the internal and external auditors may discuss any matters the Committee or internal or external auditors believe should be discussed privately.

### **7.2. Quorums**

A quorum will consist of a majority of committee members. The quorum must be in attendance at all times during the meeting.

Meetings can be held in person, by telephone or by video conference.

### **7.3. Secretariat**

Management will provide secretariat support to the Committee. The Secretariat will ensure the agenda for each meeting and supporting papers are circulated, after approval from the Chair, at least one week before the meeting, and ensure the minutes of the meetings are prepared and maintained. The proposed Audit and Risk Committee calendar reflects the approval of agenda items. Minutes must be approved by the Chair and circulated within two weeks of the meeting to each member and committee observers, as appropriate.

### **7.4. Decision Making**



Matters will generally be decided by consensus or, if a consensus cannot be reached, by a majority of votes (one per Committee member present). In the event of a hung vote the Chair has the casting vote. Where a vote is necessary this matter will be recorded in the ARC meeting minutes.

## **7.5. Conflicts of interest**

Audit and Risk Committee members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest must be appropriately minuted.

Where members or observers at Audit and Risk Committee meetings are deemed to have a real (actual), or apparent (perceived), conflict of interest it may be appropriate that they are excused from committee deliberations on the issue where a conflict of interest exists.

## **7.6. Induction**

New members will receive relevant information and briefings on their appointment to assist them to meet their committee responsibilities.

## **7.7. Self-Assessment and Review of Charter**

In order to ensure that the Committee is fulfilling its duties it:

- Undertakes an annual self-assessment of its performance against the requirements of the Charter and provides that information to the Board
- Provides any information the Board may request to facilitate its review of the Committee's performance and its members. At least once a year the Committee will review this charter. This review will include consultation with the Board.

Any substantive changes to the charter will be recommended by the Committee and formally approved by the Board.