

Remuneration Committee Charter

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1. Purpose of the committee

The purpose of the committee is to assist the Auditor-General to discharge his or her responsibilities regarding remuneration determinations and the Audit Office's remuneration policies and practices.

2. Authority

The committee is directly responsible and accountable to the Auditor-General for the exercise of its responsibilities.

The committee has no executive powers. In carrying out its responsibilities, the committee must at all times recognise that primary responsibility for the management of the Audit Office rests with the Auditor-General.

3. Responsibilities

The committee reviews and makes recommendations to the Auditor-General on the appropriateness and application of Audit Office remuneration policies and practices and on the remuneration risk assessment.

3.1. Appropriateness of remuneration policies

The committee reviews and makes recommendations to the Auditor-General on whether Audit Office remuneration policies and practices:

- are aligned with achieving Audit Office strategic plan and goals
- clearly explain the remuneration principles
- lead to remuneration packages that are reasonable, fair and responsible
- attract, retain and motivate people of the highest quality
- incorporate a level of disclosure that encourages those involved in the process to be accountable for their decisions
- comply with relevant laws, government policy and best practice
- comply with procedural fairness.

It does this based on documentation and information provided by People and Culture, the Deputy Auditor-General and submissions by managers.

3.2. Application of remuneration policies

The committee reviews and makes recommendations to the Auditor-General on the application of the Audit Office's remuneration policies and practices and achievement of their intended purpose. In doing so, the committee will:

- review material prepared by People and Culture, the Deputy Auditor-General and submissions by managers to support remuneration determination
- satisfy itself that Audit Office management has consistently and equitably applied Office remuneration policies and practices across the Audit Office
- satisfy itself that procedural fairness has been applied
- note the financial impact of the recommended annual remuneration determination having received certification from Finance.

3.3. Risk assessment

The committee reviews and makes recommendations to the Auditor-General on the remuneration risk assessment provided by management, including associated controls, taking into consideration significant emerging risks, legislative changes, organisational changes and other relevant factors impacting the Audit Office.

4. Access to information

The Auditor-General authorises the committee to:

- obtain the information it needs from any employee and/or external party (subject to legal obligation to protect information)
- obtain independent legal, financial, expert or other advice it considers necessary to fulfil its responsibilities.

5. Membership

The committee will consist of at least two members appointed by the Auditor-General. The Auditor-General will appoint the chair of the committee. The chair must be an independent member and be counted as one member of the committee. Prior to appointment to the Committee, or where considered appropriate, prior to the extension of an appointment as an independent member, the Auditor-General will conduct employment, and any other relevant checks.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Audit Office including knowledge of its structure, plans and strategic and operational policies. Among them, they will also understand governance, current statutory requirements, and contemporary remuneration standards and practice. At least one member of the committee must have remuneration experience.

6. Reporting and relationships

The committee must ensure at all times it maintains a direct reporting line to the Auditor-General. At any time an individual committee member may request a meeting with the Auditor-General.

The committee will report to the Auditor-General and include:

- recommendations on the appropriateness and application of remuneration policies and practices
- recommendations on the risk assessment prepared by management
- a summary of the work the committee performed to fully discharge its responsibilities during the preceding period.

The committee will report to the Auditor-General:

- to give the Auditor-General sufficient time to implement the remuneration determination and
- at any other time the committee deems a matter of sufficient importance.

Advisors/administrators to the committee, including management have responsibility to ensure:

- the remuneration committee is properly advised on applicable policies and practices
- the committee is provided with all necessary documents and information in a timely manner
- confidentiality.

7. Code of Conduct

Members of the remuneration committee are subject to the Audit Office's Code of Conduct. In carrying out their duties, the committee must:

- act with integrity and honesty
- act impartially, objectively and operate in the public interest
- apply due care and diligence to all matters
- apply expertise and skills

- maintain confidentiality
- express opinions frankly and ask questions that go to the fundamental core of the issue without personal criticism.

8. Conflicts of interest

Once a year the committee members will provide written declarations to the Auditor-General stating they do not have any conflicts of interest that would preclude them from being members of the committee. If further potential conflicts occur during the year, committee members must declare these at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.

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

9. Committee performance

The chair in consultation with the Auditor-General shall evaluate committee and individual member's performance at least annually. This will be done with reference to better practice and the committee's charter.

10. Administrative arrangements

10.1. Meetings

The chair with support from the secretariat will prepare an annual meeting plan, including meeting dates and agenda items. The meeting plan will cover the committee's responsibilities as detailed in this charter.

The chair will call a meeting if requested to do so by the Auditor-General, or another committee member.

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

10.2. Quorum

A quorum will consist of the two members of the Committee (the Chair and appointed Audit Office staff member). If the appointed staff member is unable to attend, an alternative staff member that meets membership requirements can be temporarily appointed.

10.3. Attendance at meetings

The Auditor-General, Deputy Auditor-General or delegated authority may attend committee meetings to participate in specific discussions or provide strategic briefings to the committee.

The committee may request employees attend committee meetings or participate for certain agenda items.

10.4. Dispute resolution

Members of the committee and the Audit Office's management should maintain an effective working relationship and seek to resolve differences by open negotiation. However, in the event of a disagreement between the committee and management, the Chair may refer the matter to the Auditor-General. In the event of any unresolved disagreements between the committee and management, including the Auditor-General the matter should be referred to a third-party arbiter to resolve the dispute.

10.5. Secretariat

The Auditor-General in consultation with the chair will appoint a person to provide secretariat support to the committee.

10.6. Maintenance of records

The secretariat will ensure the agenda for each meeting, after approval from the chair, and supporting papers are circulated at least one week before the meeting. Minutes must be prepared by the secretariat, approved by the chair and circulated to each member within a reasonable time, generally within one week.

The minutes must be accompanied by a list of action items detailing matters requiring attention. The committee secretariat will provide the committee at each meeting with a status report flagging any outstanding actions.

The committee secretariat shall maintain records of all meeting papers and minutes, of the committee's key functional and administrative arrangements (remuneration, reappointment, conflict of interest declarations, etc.)

With the advice of management, the secretariat will provide committee members with copies of reports from other reviews of Audit Office's operations that comment on issues within the committee's responsibility.

10.7. Induction

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

10.8. Review of the charter

The committee will review this charter every two years or sooner if required. This review will include consultation with the Auditor-General. Any substantive changes to this charter will be recommended by the committee and formally approved by the Auditor-General.