

# Anindilyakwa Land Council

## Audit Committee Charter

### Introduction

1. The Anindilyakwa Land Council (ALC) has established the Audit Management Committee (the Committee) in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and section 17 of the *Public Governance and Accountability Rule 2014* (PGPA Rule).
2. This Charter sets out the Committee's authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements.

### Authority

3. The ALC Board authorises the Committee, within the scope of its role and responsibilities, to:
  - obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information);
  - discuss any matters with the ALC's external auditors, or other external parties (subject to confidentiality considerations);
  - request the attendance of any ALC employee or Board member at Committee meetings; and
  - obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at the ALC's expense.

### Composition and Tenure

4. The Committee shall consist of:
  - a Chair, appointed by the ALC Board, independent of the ALC who has a strong background in accounting and auditing
  - Five other members sourced from the ALC board and other persons from the community such that
    - Two members of the committee are to be persons who have the experience, knowledge and skills to assist the committee perform its functions. This recognises the role of non-financial performance reporting in the duties of the committee.
    - The majority of the members of the audit committee must be persons who are not employees of the ALC.
  - The term of appointment to the audit committee shall be for ALC Board members, the equivalent to the term as the person is appointed to the ALC and for other members three years.
  - The independent chairman shall be appointed for terms of three years.

5. The PGPA Act does not mandate minimum or maximum periods of appointment for audit committee members. Stability, knowledge and experience are important to the composition of the committee.

## **Roles and Responsibilities**

6. The audit committee has no executive powers, supervisory function or decision-making authority in relation to the operations of the ALC. It functions in an oversight and review role.
7. The Committee can exercise such functions, responsibilities and authorities as may be assigned or delegated to it by the ALC Board from time to time, but only such executive powers as are explicitly delegated to it.
8. The Committee's responsibilities, subject to revision by the ALC Board, are to monitor, review and where appropriate make recommendations to the Board with respect to:
  - financial reporting
  - performance reporting
  - system of risk oversight and management
  - system of internal control.

## **Financial reporting**

9. The Committee will review and advise the ALC Board as to whether the ALC's:
  - annual audited financial statements and related management representations comply with the PGPA Act, the PGPA Rules, Accounting Standards and supporting guidelines and endorse signing of the statements; and
  - financial reporting is, as a whole, appropriate, with reference to any specific areas of concern or suggestions for improvement.

## **Performance reporting**

10. The Committee will review and advise the ALC board on the appropriateness of the ALC's performance framework including:
  - the development and annual rolling update of the ALC's Corporate Plan and key performance indicators;
  - systems and procedures for assessing, monitoring and reporting on performance, including the preparation of the ALCs annual performance statement for inclusion in the annual report; and
  - the approach to measuring performance throughout the financial year against the performance measures included in the Corporate Plans. This may include reviewing, over time, particular elements of the performance measures.

## System of Risk Oversight and Management

11. The Committee will review and advise ALC board on the appropriateness of the ALC's
- enterprise risk management framework and associated processes for effective identification and management of the ALC's strategic, operational, regulatory and financial risks, including fraud risks and those associated with individual projects, program implementation and activities; and
  - business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested;

## System of Internal Control

12. The Committee will review and advise the ALC board on the appropriateness of the ALC's
- overall control environment, as reflected in its governance, risk management and compliance arrangements;
  - any proposed internal audit activities including operational reviews
  - internal and external audit reports, providing advice to ALC board about significant issues identified, and monitoring the implementation of agreed actions.

## Responsibilities of Members

13. Members of the Committee are expected to understand and observe the legal requirements of the *Public Governance, Performance and Accountability Act 2013*.
14. Members are also expected to:
- act in the interests of the ALC;
  - contribute the time needed to study and understand the papers provided; and
  - apply good analytical skills, objectivity and good judgment

## Reporting

15. The Committee will regularly, but at least once a year, report to the ALC board on its operation and activities during the year. The report should include:
- summary of the work it performed to fully discharge its responsibilities during the preceding year;
  - a summary of the ALC's progress in addressing the findings and recommendations made in internal and external reports;
  - an overall assessment of the ALC's risk, control and compliance framework, including details of any significant emerging risks or legislative changes impacting the ALC; and
  - details of meetings, including the number of meetings held during the year.

16. The Committee may, at any time, report to the ALC 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 ALC.
17. The Committee will review the processes for the allocation of sec 64(3) funds to the ORIC Corporations and the documentation and timing as required by ALRA.
18. The Committee will review the processes and results of the ALC's assessment of information provided from ORIC Corporations who receive funding under sec 64(3) of ALRA and report to the ALC under sec 35.

## **Administrative Arrangements**

### **Meetings and Planning**

19. The Committee will meet four times per year. These meeting will be planned to coincide with the external audit plan or strategy document, finalisation of the financial statements, finalisation of the performance reporting and other such times as called by the chair of the committee.
20. The Chair is required to call a meeting if asked to do so by the ALC board and decide if a meeting is required if requested by another Committee member, internal audit or the ANAO.
21. A forward meeting plan, including meeting dates, location and agenda items, will be agreed by the Committee each year. The forward meeting plan will cover all its responsibilities, as detailed in this Charter.
22. The Chair is invited to attend at least one ALC board meeting per year and selected management meetings as an observer.
23. The Chair will be regularly updated with the ALC audit and risk management activities and emerging issues by the CEO and CFO.

### **Attendance at Meetings and Quorums**

24. A quorum will consist of 50 per cent of Committee members who hold office for the time being.
25. Meetings can be held in person, by telephone or by videoconference.
26. Members of the ALC board and representatives of the Australian National Audit Office may, subject to the Committee requesting otherwise, attend a meeting and contribute to its deliberations.
27. The Chair of the Committee may request any other ALC employee and/or external party to attend Committee meetings or participate in certain agenda items.
28. External Audit and Internal Audit are to be afforded the opportunity of meeting privately with Committee members only as required.
29. The Chair of the ALC board, CEO and CFO may be invited to attend Committee meetings to participate in specific discussions or provide strategic briefings to the Committee.

## **Secretariat**

30. The ALC board and CEO will provide secretariat support to the Committee and ensure the agenda for each meeting and supporting papers are circulated, after approval from the Chair, and prior to the meeting, and ensure the minutes of the meetings are prepared and maintained. Minutes shall be approved by the Chair and circulated to each member, as appropriate.

## **Conflicts of Interest**

31. Each year Committee members shall provide written declarations to the ALC Board declaring any material personal interests that would preclude them from being members of the Committee. The ALC board will need to be satisfied that there are sufficient processes in place to manage any real or perceived conflict of interest.

32. Committee members shall declare any material personal interests at the start of each meeting or before discussion of the relevant agenda item or topic. Details of material personal interests declared by Committee members, and actions taken, shall be appropriately recorded in the minutes.

## **Assessment and Review**

33. The Chair of the Committee shall initiate annually a review of the performance of the Committee, and this Charter, with appropriate input sought from the ALC board, the Chair of the ALC, CEO and CFO. The review of performance shall be conducted on a self-assessment basis unless otherwise determined by the ALC board.

*Approved by the ALC Board 13<sup>th</sup> February 2019.*