



NORTHERN  
LAND COUNCIL

# Audit Committee Charter

*Our Land, Our Sea, Our Life*

## 1. INTRODUCTION

The Northern Land Council (NLC) established an Audit Committee (the Committee), in compliance with Section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and under PGPA Rule section 17(1) the Accountable Authority of the NLC has determined the charter of the audit committee.

This charter sets out the Committee's objectives, authority, composition and tenure roles and responsibilities, reporting and administrative arrangements.

Under the PGPA Rule section 7A the Accountable Authority is the NLC Chairman and the Chief Executive Officer (CEO). The Accountable authority is responsible for determining the functions of the Audit Committee.

## 2. PURPOSE

The Committee is independent of the NLC. It has been established to assist the Council to discharge its responsibilities under the *Aboriginal Land Rights (Northern Territory) Act 1976*, *Native Title Act 1993* and the PGPA Act in respect of financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies.

The Committee is not responsible for the executive exercise or management of these functions. The Committee will engage with management in a constructive and professional manner in discharging its responsibilities and formulating its advice.

## 3. AUTHORITY

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

- obtain any information it needs from any official and /or external party (subject to their legal obligation to protect information);
- discuss any matters with the external auditor, or other external parties (subject to confidentiality considerations);
- request the attendance of any official including members of the Full Council, at committee meetings; and
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities at the NLC's expense.

The accountable authority may require the Committee to make comment on the following areas in addition to those prescribed in this charter, if required:

- environmental matters;
- management performance and compensation;
- insurable risk management;
- compliance with other laws and regulations not specially dealt with in this charter; and
- any other matter referred to the Committee by the Accountable Authority.

#### **4. COMMITTEE STRUCTURE AND MEMBERSHIP**

The Committee comprises three to five members appointed by the Accountable Authority. The majority of the committee members must not be Council or Executive members.

The Accountable Authority will appoint an independent member as the Chair of the Audit Committee. The Chair of the Audit Committee will not be the Chair of the NLC.

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

Members of the Committee will have appropriate qualification, knowledge, skills or experience to enable the committee to perform its function effectively and efficiently. At least one member of the Committee should have a background in financial reporting, accounting and auditing, however, the lack of any such member shall "not invalidate or otherwise affect the actions taken by the Committee.

The Chair of the NLC and other Full Council members may attend Committee meetings, and when they elect to do so, will require copies of Committee papers.

The CEO, General Manager Corporate Services and Finance Manager or their equivalents may attend meetings as observers, as determined by the Chair, but will not be members of the Committee.

Other members of management will attend meetings when requested by the Chair to participate in certain agenda items.

Representatives of the Australian National Audit Office (ANAO) and contracted parties will be invited to attend meetings of the Committee as an observer.

The Members of the Committee will be appointed, initially, for a term not exceeding three years and thereafter they will be allowed to be re-appointed for further terms of three years term with the aim of ensuring an appropriate balance between continuity of membership, the contribution of fresh perspectives, and a suitable mix of qualifications, knowledge and skills and experience.

#### **5. FUNCTIONS AND RESPONSIBILITIES**

The Committee has no executive powers in relation to the operation of NLC.

The Committee is directly responsible and accountable to the Accountable Authority for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must recognise that the primary responsibility for management of the NLC rests with the CEO and Chair of the NLC as the Accountable Authority.

The responsibility of the Committee may be revised or expanded in consultation with, or as requested by, the Accountable Authority from time to time. The Committee members are expected to act in the best interest of NLC, apply good analytical skills, objectivity and good judgement, contribute adequate time to review and understand meeting papers and express their opinion constructively and openly and pursue independent line of enquiry.

The functions and responsibilities of the Committee include reviewing of appropriateness of the NLC's:

### ***Financial Reporting-including:***

- Review the annual financial statements and recommend whether the statements are suitable for signing by the Accountable Authority.
- Review the processes in place designed to ensure that financial information included in the Annual Report is consistent with the signed financial statements.

### ***Performance Reporting***

- Review NLC's performance information, systems and framework for developing, measuring and reporting key performance indicators and the annual performance statement and performance reporting as a whole.

### ***Systems of Risk Oversight and Management***

- Assess whether management has a current and comprehensive risk management framework, and associated procedures for effective identification and management of the NLC's risks, including fraud.
- Review reports on fraud from management that outline any significant or systemic allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk.

### ***Systems of Internal Control***

- Review and advice on appropriateness of the internal audit plan.
- Review management's approach to effective control framework including policies and process and ensuring their compliance.

### ***Legislative and policy compliance***

- Assess the effectiveness of the system for monitoring compliance with those laws, regulations and associated government policies that the NLC must comply with.
- Assess whether management has appropriately considered legal and compliance risks as part of the risk management plan

## **6. ENGAGEMENT WITH EXTERNAL AUDITOR**

The Committee will engage with NLC's external auditor, the ANAO, in relation to financial statements and performance audit coverage, in particular, the Committee will:

- Provide input on planned ANAO financial statements and performance audit coverage.
- Meet privately with the ANAO when required.

## **7. REPORTING**

- The Committee will regularly update the Northern Land Council on its activities and make recommendations to the Northern Land council as appropriate.
- The Committee will at least annually confirm to the Accountable Authority that all functions/ responsibilities outlined in this charter have been carried out and comply with any other reporting requirements specified by the PGPA Act and Regulations or Finance Minister's Order or any other statutory requirements.

## **8. ADMINISTRATIVE ARRANGEMENTS**

### ***Meetings***

- The Audit Committee will meet at least three times per year or more frequently as circumstances may require. A special meeting may be held to review the NLC's financial statements.
- All Committee members are expected to attend each meeting in person or via telephone or video conference.

### ***Confidentiality***

- During the course of each member's appointment to Audit Committee, and thereafter, no member shall use or disclose confidential information relating to the business of the NLC, including but not limited to its corporate plan, strategy and structures, except with the prior written consent of the Accountable Authority or as required by law.

### ***Planning***

- The Committee will develop a forward meeting schedule that includes the dates, location and proposed agenda items for each meeting for the forthcoming year that covers all the responsibilities outlined in this charter.

### ***Quorum***

- A quorum will consist of a majority of Committee members, one of whom must be the Chair or Deputy Chair of the Committee. The quorum must be in attendance all times during the meeting.

### ***Secretariat***

- The General Manager Corporate Services, Finance Manager and their equivalents (Secretariat) will provide secretariat support to the Committee and will ensure the agenda for each meeting is approved by the Committee Chair. The secretariat will attend all committee meetings and take the minutes. Minutes should be circulated within three weeks of the meeting to the chair of the Committee for review and then to other Committee members. Minutes must be approved by the Committee Chair once confirmed by each member of the Committee.

### ***Conflicts of interest***

- Once a year, Committee members will provide a written declaration to the committee Chair which will then be provided to the Accountable Authority declaring any material personal interests they may have in relation to their responsibilities. External members should consider their employment, consultancy arrangements and related party issues in making these declarations and the Accountable Authority, in consultation with the committee Chair, should be satisfied that there are sufficient processes in place to manage any real or perceived conflict.
- At the beginning of each Committee meeting, members are required to declare any material personal interests that may apply to specific matters on the meeting agenda. Where required by the Chair, the member will be excused from the meeting or from the Committee's consideration of the relevant agenda items(s). The Chair is also responsible for deciding if he/she should excuse themselves from the meeting or from the Committee's consideration of the relevant agenda item(s). Details of material personal interests declared by the Chair and other members and actions taken, will be appropriately recorded in the minutes.

### ***Induction***

New members of the Committee will receive relevant information and briefings on their appointment to the Committee in order to assist them to meet their responsibilities. This will include the provision of a copy of:

- Audit Committee Charter;
- Risk Management Policy; *and*
- a list of outstanding ANAO issues.

### ***Assessment arrangements***

The Chair of the Committee will initiate a self-assessment of the performance of the Committee and individual committee members at least once every two years. The review will involve input from the Accountable Authority, each Committee member, ANAO and any other relevant stakeholders, as determined by the Committee.

### ***Review of the Charter***

At least every two years the Committee will review this charter. This review will include consultation with the Accountable Authority.

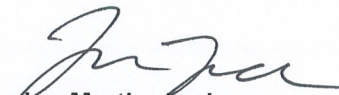
Any substantive changes to the charter will be recommended by the Committee and formally approved by the Accountable Authority.

## **9. APPROVAL**

Approved by the Northern Land Council Accountable Authority



**Samuel Bush-Blanasi**  
Chairman



**Joe Martin-Jard**  
Chief Executive Officer

31 March 2022