



Audit and Risk Committee Charter

Policy Name	Audit and Risk Committee Charter
Publication Date	12 th December 2024
Categorisation	Governance
Review Frequency	3 years
Review Date	12 December 2027
Policy Custodian	Chief Executive Officer

1. Preamble

Pursuant to section 7A of the *Public Governance, Performance and Accountability Act 2013* (Cth) ('PGPA Act') the Accountable Authority of the Tiwi Land Council ('Council') is comprised of the elected Chair of the Council and the employed Chief Executive Officer of the Council.

Pursuant to section 45 of the PGPA Act, the Accountable Authority of the Council has established the Audit and Risk Committee of the Council ('Audit Committee').

Pursuant to section 17 of the *Public Governance, Performance and Accountability Rule 2014* (Cth) ('PGPA Rule') the Accountable Authority adopts this charter to determine the functions of the Audit Committee ('AC Charter').

In addition to determining the functions of the Audit Committee, the Audit and Risk Committee Charter ("Charter") sets out the role, responsibilities, authority and operation of the Audit Committee.

2. Functions and Responsibilities

Pursuant to section 17 of the PGPA Rule, the role of the Audit Committee is to review the appropriateness of the following functions of the AA ("Mandatory Functions"):

2.1 Financial Reporting

Review and provide documented advice on the appropriateness of the AA's:

- a.) annual financial statements and compliance with accounting standards and recommend whether the statements are suitable to be signed by the AA;
- b.) processes and systems for preparing financial reporting information; and
- c.) financial record keeping.

Provide a documented statement to the AA:

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- d.) Whether the annual financial statements in the Audit Committee's view, comply with the PGPA Act, the PGPA Rules and the Accounting Standards and supporting guidance;
- e.) In respect of the appropriateness of the TLC's financial reporting as a whole with reference to specific areas of concern or suggestions for improvement.

2.2 Performance Reporting

Review and provide advice on the appropriateness of the AA's:

- a.) systems and procedures for assessing, monitoring and reporting the achievement of TLC's performance including:
 - i.) The TLC's Corporate Plan contains appropriate details of how the TLC's performance will be measured and assessed.
 - ii.) The TLC's approach to measuring its performance throughout the financial year against the performance measures included in its Corporate Plan, in accordance with the Commonwealth performance framework;
 - iii.) The appropriateness of the TLC's systems and processes for preparation of its annual Performance Statement and inclusion of the statement in the TLC annual report.
- b.) Review the annual performance statements and provide advice to the AA on their appropriateness to TLC.
- c.) Provide a documented statement to the AA whether in the Audit Committee's view, the AA's annual performance statements and performance reporting as a whole is appropriate, with reference to any specific areas of concern or suggestion for improvement,

2.3 System of risk oversight and management

Review and provide advice on the appropriateness of the AA's:

- a.) Enterprise risk management framework and associated internal controls for effective identification and management of TLC's business and financial risks.
- b.) Approach to managing the entity's key risks – including those associated with individual projects, program implementation and activities.
- c.) Process for developing and implementing TLC's fraud and corruption control arrangements and satisfy itself that CLC has appropriate processes for detecting, capturing and effectively responding to fraud and corruptions risks.
- d.) Management reports on fraud and corruption that outline any significant or systemic allegations, the status of any ongoing investigations and any changes to identified fraud risk in TLC.

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Provide a documented statements to the AA whether, in the Audit Committee's view the AA's system of risk oversight and management as a whole is appropriate and any specific areas of concern or suggestions for improvement.

2.4 System of Internal Control

Review and provide advice on the appropriateness of the AA's systems of internal control including:

2.4.1 *Internal control framework*

- a.) Reviewing management's approach to maintaining an effective internal control framework and whether appropriate processes, including AA authorisations or their equivalent, are in place to assess whether key policies and procedures are complied with.
- b.) Satisfy itself that important governance elements and functions have an associated policy and that key policies are endorsed and appropriately reviewed, including but not limited to policies for:
 - i.) Information security arrangements.
 - ii.) Business continuity and disaster recovery plans.
 - iii.) The management and exercise of delegations and authorisations.
 - iv.) Promoting the proper use and management of public resources and the TLC's commitment to ethical and lawful conduct.

2.4.2 *Legislative and policy compliance*

- a.) Review and effectiveness of systems for monitoring TLC's compliance with laws, regulations and associated government policies with which TLC must comply.
- b.) Review whether management has appropriately considered legal and compliance risks as part of the entity's enterprise risk management plan.

2.4.3 *Internal audit*

- a.) Oversee the internal audit program; in consultation with the TLC management, approve the engagement of an outsources internal audit provider (s), And ensure the coverage considers TLC's key risks, and approve the Internal Audit Plan.
- b.) Review all internal audit reports and provide advice to the AA on significant issues identified in audit reports and recommend action on significant issues raised, including identification and dissemination of good practice.
- c.) Review management's implementation of internal audit recommendations.



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Provide a documented statement to the AA whether, in the Audit Committee's view the AA's system of internal control as a whole is appropriate for the TLC, with reference to any specific areas of concern or suggestions for improvement.

2.5 Other functions

In addition to the four mandatory functions, the AA may request the Audit Committee to undertake other activities related to its responsibilities as may be requested by the AA (for example review of Occupational Health and Safety Systems). Such requests will be documented accordingly.

3. Essential Responsibilities of the Committee

The Audit Committee shall:

- Remain aware of and understand the Council's purpose, vision, strategy, goals and key plans.
- As far as practical, maintain awareness of the cultural practices and views of Tiwi traditional Aboriginal owners, as they apply to the purpose and work of the Council.
- Guide and monitor the performance of the Accountable Authority's risk management systems, capabilities and effectiveness.
- Guide the development and monitor the performance of the Council's internal audit system and priorities, including management information systems and systems to prevent and detect fraud.
- Guide and monitor the performance of the Council's framework for ensuring compliance with legislation and other external requirements including financial reporting and accounting policies.
- Provide timely independent, expert advice to the Accountable Authority on the effectiveness of the Council's governance arrangements and performance including the establishment and continuous monitoring of a framework for compliance with the law and as prescribed in relevant Council documents (e.g. Risk Management policy documents).

4. Independence of the Committee

The Audit Committee is independent of the Accountable Authority. It is not responsible for the executive exercise or management of the Accountable Authority's functions.

5. Powers of the Committee

The Audit Committee has the following specific powers:

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- Obtain any information required from any officer or employee or external party (subject to any obligations by the party as to confidentiality).
- Discuss and communicate with internal and external auditors, management and staff and other external and internal stakeholders as required in the performance of its role.
- Request the attendance of any official including members of the Council at meetings of the committee.
- Obtain external legal or other professional advice as considered necessary to meet its responsibilities at the expense of the Council.
- Make recommendations for adoption by the Council in respect of policies, procedures and risk management strategies to achieve its functions.

6. Reporting

6.1 Annual Report to the AA

The Audit Committee will provide once annually a written report to the AA outlining:

- a) The appropriateness of the AA's systems relating to the Mandatory Functions; ,
- b) Advice regarding any material recommendations by the Audit Committee to the AA (which should include reference to any material exceptions escalated to the AA during the year)

6.2 Meeting with the Accountable Authority and Executive Committee

The Audit Committee will meet at least once annually with the AA and the Executive Committee of the TLC to provide an update on its activities and information on any matters that the Audit Committee considers should be brought to their attention.

7. Administrative Arrangements

7.1 Membership

7.1.1 The Audit Committee will comprise the following:

- a) persons who are not employees of the Council.
- b) A Chair appointed by the Accountable Authority, a Deputy Chair appointed by the Audit Committee, four (4) members appointed by the Accountable Authority who are members of the Northern Territory community and possess relevant knowledge, experience and professional skills to assist the Committee in performing its functions.



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- c) At least one member of the Audit Committee must be a legal practitioner with a current practising certificate and have at least 5 years post admission experience
- d) At least one member of the Audit Committee must be a minimum certified practising accountant and have at least 5 years' experience in that capacity;
- e) The term of appointment of members of the Audit Committee shall be three (3) years.

The members of the Committee, taken collectively, will represent a broad range of skills and experience relevant to the financial management, governance and operations of the Accountable Authority and members will ensure that they have the requisite knowledge and experience to carry out their role.

7.1.2 Removal of a member

A member may be removed from the Audit Committee during their term:

- a) In the event that the member does not attend two consecutive meetings without due advice and following a resolution of the Audit Committee.
- b) If the member passes away or becomes permanently incapacitated such that they are unable to perform their responsibilities to the Audit Committee.
- c) If they become bankrupt or otherwise insolvent or are convicted of a criminal offence.
- d) If they resign, in writing to the Chair of the Audit Committee

7.2 Meetings

The Audit Committee will meet (whether in person, by means of email or teleconference or by video conference means as it determines) at least four times per year, normally prior to full council meetings of the Council. All members are expected to attend each meeting.

- a) A quorum will consist of a majority (half plus one) of the members of the Audit Committee.
- b) The Audit Committee Chair shall determine an agenda for the committee meetings.
- c) The AA may attend Audit Committee meetings if and when they choose to do so.
- d) TLC staff may attend meetings as advisers as determined by the Audit Committee Chair.
- e) The Chief Financial Officer, and Governance, Risk and Compliance Officer shall be required to attend Committee meetings, and the Accountable Authority may attend meetings as they see fit.



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7.3 Secretariat

The Accountable Authority shall provide a secretariat to the Audit Committee. The secretariat will:

- a) ensure the agenda for each meeting is approved by the Chair
- b) the agenda and supporting papers are circulated at least one week before the meeting; and
- c) ensure the minutes of the meetings are recorded. Minutes must be reviewed by the Chair and circulated within two weeks of the meeting to each member, as appropriate.

7.4 Conflict of Interest

Members of the Audit Committee will provide written declarations, through the Chair, to the AA declaring any material personal interests they may have in relation to their responsibilities. New members must complete a Declaration of material personal interests prior to receiving papers for their first meeting. Where a member's personal circumstances change, they must submit an updated written declaration through the Chair of the AA.

At the beginning of each meeting, Audit Committee 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 Audit Committee's consideration of the relevant agenda item (s). The Chair is also responsible for deciding if any member should excuse themselves from the meeting or from the Audit Committee's consideration of the relevant agenda items(s). Details of material personal interests declared by the Chair and other members, and actions taken, will be appropriately recorded in the minutes.

7.5 Performance Assessment

The ARC Chair will initiate a self-assessment of the performance of the Audit Committee annually. This will inform the Audit Committee's report to the AA provided at 4.1.

The AA review the ARC's performance annually to confirm that it is effectively fulfilling its responsibilities outlined in the Charter.

As part of this performance assessment the Audit Committee will review this Charter. Any substantive changes to the Charter will be recommended by the Audit Committee and formally approved by the AA and updated on the TLC website. The AA will review the Charter as appropriate

7.6 Travel & accommodation expenses

Should the Audit Committee agree to meet on the Tiwi Islands, the AA will be asked to facilitate appropriate travel and accommodation expenses, and such request will



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not be unreasonably withheld.

Acceptance and Approval

Accepted by:

Audit and Risk Committee on 10th December 2024

Approved by the Accountable Authority:

Brendan Ferguson
Chief Executive Officer

Date: 12/12/24

Leslie Tungatalum
Chairman

Date: 12/12/24



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