

CLC, Audit and Risk Committee (ARC) Charter



CENTRAL LAND COUNCIL AUDIT & RISK COMMITTEE CHARTER

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CLC, ARC Charter

The Accountable Authority (AA) have established an Audit & Risk Committee (ARC) in compliance with section 45(1) and section 45(2) of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and PGPA Rule (2014) sub section 17(1) and sub section 17(2) - Audit Committee for Commonwealth entities.

1. Purpose

The ARC of the Central Land Council (CLC) is established to provide independent assurance to the AA in discharging its responsibilities under the Aboriginal Land Rights (Northern Territory) Act, 1976; Native Title Act, 1999 and the Public Governance, Performance and Accountability Act, 2013 in respect of financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies, as well as section 17(2) of the PGPA Rule.

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

The extent of responsibilities to be undertaken by the ARC in respect of its functions may be guided by the AA. This Charter was developed taking into consideration the specific circumstances of the CLC as a small Commonwealth corporate entity and the extent of financial and other risks faced.

1. Authority

The AA authorises the ARC, within its responsibilities, to:

- a. obtain any information it requires from any official or external party (subject to any legal obligation to protect information);
- b. discuss any matters with the Australian National Audit Office (ANAO), or other external parties (subject to confidentiality considerations);
- c. request the attendance of any official, including members of the Executive Committee, at ARC meetings, and
- d. obtain legal or other professional advice at the CLC's expense, as considered necessary to meet its responsibilities.

The ARC refers and recommends but does not have a decision-making function for the CLC.

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2. Functions

The AA has determined the core functions of the ARC are to review and provide advice on the appropriateness of the AA's:

- financial reporting
- performance reporting
- system of risk oversight and management, and
- the system of internal control for the CLC.

In meeting its obligations under this charter it is reasonable that the ARC may rely upon the advice given to it by the ANAO (and any auditor engaged to act on the ANAO's behalf), and staff of the CLC, unless it has come to the ARC's attention that other professional advice is warranted. The ARC may determine that it requires an independent review or advice from external consultants in order to fulfil its functions.

3.1 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:

- d. whether the annual financial statements, in the ARC'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 CLC's financial reporting as a whole with reference to specific areas of concern or suggestions for improvement.

3.2 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 CLC's performance including:
 - i. The CLC's Corporate Plan contains appropriate details of how the CLC's performance will be measured and assessed.
 - ii. The CLC'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 CLC's systems and processes for preparation of its annual Performance Statement and inclusion of the statement in the CLC annual report.
- b. Review the annual performance statements and provide advice to the AA on their appropriateness to the CLC.

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- c. Provide a documented statement to the AA whether in the ARC view, the AA's annual performance statements and performance reporting as a whole is appropriate, with reference to any specific areas of concern or suggestions for improvement.

3.3 Systems 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 CLC'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 CLC's fraud control arrangements and satisfy itself that CLC has appropriate processes for detecting, capturing and effectively responding to fraud risks.
- d. management reports on fraud that outline any significant or systemic allegations of fraud, the status of any ongoing investigations and any changes to identified fraud risk in CLC.

Provide a documented statement to the AA whether, in the ARC'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.

3.4 System of internal control

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

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 management has in operation relevant policies and procedures 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 CLC's commitment to ethical and lawful conduct.

Legislative and policy compliance

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

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Internal audit

- a. Oversee the internal audit program; in consultation with CLC management, approve the engagement of an outsourced internal audit provider(s), and ensure the coverage takes into account CLC's key risks, and approve the Internal Audit Work 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.

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

3.5 Other functions

- a. In addition to the four mandatory functions, the AA may request the ARC undertake other activities related to its responsibilities as may be requested by the AA. Such requests will be documented accordingly.

3.6 Engagement with the ANAO

The ARC will engage with the ANAO (or an auditor engaged by the ANAO to act on its behalf), as the CLC's external auditor, in relation to the ANAO's financial statement and performance audit.

4. Reporting

4.1 Annual Report to AA

The ARC will at least once annually provide a written report to the AA outlining:

- the work conducted by the ARC against its charter during the year, including whether all functions/responsibilities outlined in this charter have been carried out,
- advice regarding any material recommendations by the ARC to the AA (which should include a summary of material exceptions escalated to the accountable authority during the year),
- any other reporting requirements specified by the AA from time to time.

4.2 Meeting with AA and Executive committee

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

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5. Administrative arrangements

5.1 Membership

The ARC comprises a minimum of three independent members, appointed by the AA. The term of appointment shall initially be for three years. An appointment may be extended at the expiration of any such term for a further 2 years.

The AA will appoint the Chair of the ARC for a term up to 3 years. The Chair may be reappointed at the expiration of any such term.

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

Membership of the ARC will be reviewed periodically (but at least every two years) by the AA and any appointments made with the aim of ensuring an appropriate balance between continuity of membership with knowledge of the organisation's functions and unique environment, the contribution of fresh perspectives, and a suitable mix of qualifications, knowledge, skills and experience.

The ARC will undertake such activities that enable its members to keep abreast of developments and leading practices in relation to its functions.

5.2 Meetings

The ARC will meet at least four times per year. One or more special meetings may be held to review CLC's annual financial statements and performance statement, or to meet other ARC responsibilities.

All ARC members are expected to attend each meeting, in person or via tele-or-video conference.

A quorum will consist of a majority (half plus one) of the members of the ARC.

The ARC Chair is required to call a meeting if asked to do so by the AA, and decide if a meeting is required if requested by another member, internal audit providers or the ANAO.

The AA may attend ARC meetings when they elect to do so.

CLC staff may attend meetings as advisers as determined by the ARC Chair.

A representative(s) of the ANAO will be invited to attend meetings of the committee, as an observer.

5.3 Work plan

The ARC will develop an annual work plan setting out meeting dates and agenda items covering all the responsibilities outlined in this charter over the annual cycle of meetings.

5.4 Secretariat

Secretariat will be provided by the CLC staff as determined by the CEO. 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.

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5.5 Conflicts of interest

Once each year, members of the ARC 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 provide a written 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 to the AA.

At the beginning of each ARC 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 ARC'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 ARC'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.

5.6 Performance Assessment

The Chair of the ARC, will initiate a self-assessment of the performance of the ARC annually. This will inform the ARC'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.

6. Review of charter

The ARC will review this charter annually. Any substantive changes to the charter will be recommended by the ARC and formally approved by the AA and updated on the CLC website.

The AA will review the charter as appropriate.

7. Definitions and Acronyms

AA – Accountable Authority comprises the Council Chair and Chief Executive Officer

ANAO – Australian National Audit Office

ARC – Audit and Risk Committee of the Central Land Council

Chair – the ARC member appointed by the AA to Chair the ARC meetings

Charter – The document established by the AA under the PGPA Rule sub section 17(1) being a written Charter that sets out the functions and responsibilities of the CLC's Audit and Risk Committee.

CLC – The Central Land Council as established under the Aboriginal Land Rights (Northern Territory) Act 1976.

Deputy Chair - the ARC member appointed by the AA to Chair the ARC meetings in the absence of the appointed Chair.

Executive Committee – the elected Executive Committee of the Central Land Council

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Performance Framework – the Commonwealth has established key components of a Commonwealth Performance Framework as set out page 15 of the Department Finance Guide for corporate Commonwealth entities on the role of audit committees.

PGPA Act– the Public Governance, Performance and Accountability Act 2013

PGPA Rule - the Public Governance, Performance and Accountability Rule 2014

Approved by the Accountable Authority of the CLC:

Les Turner, CEO

Signature: _____



Date: _____

17/10/23

Matthew Palmer, Chair

Signature: _____



Date: _____

17/10/23