Audit and Risk Committee Charter

1. INTRODUCTION

The Northern Land Council (NLC) established the Audit and Risk Committee (the Committee) in compliance with section 45 of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act). Under section 17(1) of the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), the Accountable Authority of the NLC has determined this Charter.

This Charter sets out the Committee's purpose, authority, composition, tenure, roles and responsibilities, reporting arrangements, and administrative procedures.

Under section 7A of the PGPA Rule, the Accountable Authority of the NLC is the group of persons comprising the Chair of the Land Council and the Chief Executive Officer (CEO). The Accountable Authority is responsible for determining the Committee's functions.

2. PURPOSE

The Committee provides independent advice to the NLC's accountable authority, in line with the PGPA Act. It has been established to provide independent advice and assistance to the Council to:

- Discharge its responsibilities under the PGPA Act *and* PGPA Rule in respect of financial reporting, performance reporting, risk oversight and management, internal control and compliance with relevant laws and policies.
- Provide assurances that the NLC discharge its responsibilities under the *Aboriginal Land Rights (Northern Territory) Act 1976, Native Title Act 1993*

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 to the accountable authority.

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 subject to approval by the CEO.

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 four independent members appointed by the Accountable Authority.

The Accountable Authority will appoint the Chair of the Audit Committee.

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

The members taken collectively, will have appropriate qualification, knowledge, skills or experience to enable the committee to perform its functions effectively and efficiently. At least one member of the Committee should have a background in financial reporting, accounting and auditing.

Members should have cultural awareness including:

- An understanding of the issues affecting Aboriginal and Torres Strait Islander peoples,
- An ability to communicate sensitively and effectively with Aboriginal and /or Torres Strait Islander peoples; and
- A willingness and commitment to continue to develop cultural competency.

The Chair of the NLC and other Full Council members may attend Committee meetings in an observer capacity.

The CEO, General Manager Corporate Services/Chief Financial Officer or their delegates/equivalents may attend meetings in an observer capacity, but will not be members of the Committee.

Other members of management may attend meetings at the invitation of the Committee Chair to participate in specific agenda items.

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

Committee members will be appointed initially for a term not exceeding three years. Members are eligible for reappointment for a maximum of two further three-year terms, with the aim of maintaining an appropriate balance between continuity of membership, the contribution of fresh perspectives, and an appropriate mix of qualifications, knowledge, skills, and experience. Members will not be eligible for reappointment after completing three terms.

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 those responsibilities, the Committee must recognise that primary responsibility for the management of the NLC rests with the CEO and the Chair of the NLC, as the Accountable Authority. Committee members are expected to understand and comply with the requirements of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act) and the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rules).

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, meet their responsibilities and express their opinion constructively and openly, raise issues that relate to the Committee's responsibilities and pursue independent line of enquiry.

The responsibilities of the Committee may be revised or expanded in consultation with or as requested by, the Accountable Authority from time to time.

Section 17(2) of the PGPA Rule establishes mandatory function for audit committees. The functions must include reviewing the appropriateness of the NLC's:

Financial Reporting

- Review the annual audited financial statements of NLC, related management representations and recommend whether the statements are suitable for signing by the Accountable Authority;
- Review the processes and systems for preparing financial information and NLC's financial reporting as a whole; and
- 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;
- Monitor the implementation of agreed recommendations made by external reviews including ANAO performance audits and parliamentary committee inquiries;
- 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. ENGANGEMENT WITH EXTERNAL AUDITOR

The Committee will engage with NLC's external auditor, the Australian National Audit Office (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 accountable authority on its activities and make recommendations to the accountable authority as appropriate.

The Committee will provide written statements to the Accountable Authority at least annually, about the appropriateness of the NLC's financial and performance reporting; systems of risk oversight and management; and system of internal control and confirm that all functions/ responsibilities outlined in this charter have been carried out and complied with any other reporting requirements specified by the PGPA Act and Regulations or Finance Minister's Order or any other statutory requirements. The statement will include any specific areas of concern or suggestions for improvement.

8. ADMINISTRATIVE ARRANGEMENTS

Meetings

- The Committee will meet at least three times per year, or more frequently as circumstances require. A special meeting may be convened to consider the NLC's financial statements.
- The Chair must convene a meeting if requested by the Accountable Authority, by any Committee member, or at the Chair's discretion.
- 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 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 setting out the timing of meetings and proposed agenda items for the forthcoming year, covering all responsibilities outlined in this Charter.

Quorum

- A quorum will consist of two Committee members, one of whom must be the Chair or Deputy Chair of the Committee.

Secretariat

- Corporate Services will provide secretariat support to the Committee. The Secretariat will ensure that the agenda and supporting papers for each meeting are approved by the Chair and circulated at least one week prior to the meeting. The Secretariat will attend all Committee meetings, prepare and maintain the minutes, and circulate draft minutes within four weeks of the meeting's conclusion. Draft minutes will first be provided to the Chair for review and then circulated to other Committee members. Minutes must be approved by the Chair and presented to the Committee at its next meeting for ratification.

Conflicts of interest

- Once a year, Committee members will provide a written declaration to the Committee Chair, who will then provide it to the Accountable Authority, declaring any material personal interests in relation to their responsibilities. Members should consider their employment, consultancy arrangements, and related party interests when making these declarations. Any actual or perceived conflicts of interest must be disclosed and managed in accordance with agreed conflict of interest procedures.
- 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:

- The Committee Charter;
- Risk Management Policy; *and*
- a list of outstanding ANAO findings.

Assessment arrangements

The Chair of the Committee will lead a self-assessment of the Committee's performance at least once every two years.

The Accountable Authority will assess the performance of the Committee to confirm that it is effectively performing its mandatory functions.

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

Matthew Ryan
Chair

Yuseph Deen
Chief Executive Officer

6 August 2026