

## **FINANCE AND RISK COMMITTEE CHARTER**

### **1. INTRODUCTION**

This Charter sets out the roles and responsibilities of the Finance and Risk Committee established by the Board of Western Desert Lands Aboriginal Corporation (Jamukurnu-Yapalikunu) RNTBC (**WDLAC**).

### **2. ROLE OF COMMITTEE**

2.1 The role of the committee is to assist the Board in fulfilling its responsibilities in overseeing WDLAC's financial reporting, setting the risk parameters of WDLAC, and overseeing WDLAC's systems of internal control and its risk management framework.

2.2 In fulfilling this purpose, the Committee will:

- (a) review and assess WDLAC's processes which ensure the integrity of financial statements and reporting, and associated compliance with legal and regulatory requirements, including accounting standards;
- (b) review and assess the appointment, qualifications, independence, performance and remuneration of, and relationship with, WDLAC's external auditors and the integrity of the audit process as a whole oversee the effectiveness of the systems of internal controls and risk management framework; and
- (c) oversee the policies and procedures for ensuring WDLAC's compliance with relevant regulatory and legal requirements,

and make recommendations to the Board in relation to each of these areas, where necessary.

2.3 The Charter should be read in conjunction with the WDLAC Rule Book, the WDLAC Policy and Procedures Manual and the Corporations (Aboriginal and Torres Strait Islander) Act 2006 (Cth).

### **3. DETAILED RESPONSIBILITIES**

### 3.1 Integrity of financial statements and reporting

- (a) Reviewing and recommending for the approval of the Board the draft annual financial statements to be presented to members at a general meeting, including for the purposes of determining whether they present a true and fair view of the financial position and performance of WDLAC, and discussing the same with management and external auditors before making any recommendation;
- (b) Overseeing managements' financial and reporting systems, internal controls, compliance with relevant policies, and liaison with external auditors;
- (c) Considering changes in accounting and reporting requirements and their impacts on financial statements, policies and reporting;
- (d) Overseeing judgments made by management regarding provisions, accruals, the application of accounting policies, estimates, and the like which materially affect financial statements, and other complex and unusual disclosures including related party transactions;
- (e) Reviewing certifications and representations made by management and external auditors concerning the financial statements.

### 3.2 Engagement with external auditors

- (a) Reviewing with management the terms, including scope, of the external auditor's engagement and recommending to the Board the appointment, removal, of external auditors, their terms of engagement and fees;
- (b) Considering conflicts of interest that may affect the auditor's independence;
- (c) Overseeing the external audit process to ensure information provided to the committee is reliable and any recommendations to strengthen internal controls are actioned;
- (d) Meeting with the external auditor in the absence of management to discuss issues relevant to the annual audit, internal controls and

other relevant matters; and

- (e) Monitoring management's responsiveness to audit findings.

### 3.3 Internal controls and risk management

- (a) Reviewing and assessing the effectiveness of internal controls, policies, programs, guidelines and procedures that form part of the risk management system to control risk and their financial impact;
- (b) Reviewing management's oversight of risk within WDLAC and its operations; and
- (c) Reviewing and recommending policies regarding risk management, reporting and governance for the approval of the Board.

### 3.4 Legal and regulatory compliance

- (a) Overseeing WDLAC's compliance with legal and regulatory requirements;
- (b) Reviewing internal processes for ensuring compliance with legal and regulatory requirements; and
- (c) Considering and reporting to the Board on the implications of any material non-compliance with legal and regulatory requirements, and any material litigation.

### 3.5 Other responsibilities

- (a) Monitoring the implementation and use of any whistleblower policy, including where they concern or affect WDLAC's audit, financial statements, internal controls misbehaviour, fraud or other conduct in breach of laws and regulations.
- (b) Monitoring the adequacy of WDLAC's insurances annually, including any applicable to directors and officers;
- (c) Meeting with members of the finance team as required from time to time;

- (d) Undertaking any other activities delegated by the Board.

#### 4. MEMBERSHIP AND PROCESS

**Size, composition, term:** The number of directors on the Committee will be no greater than 4 persons. They shall hold office for a term of 1 year, subject to them being re-elected if this arises during their term. The Chairperson be a members of the Committee, but must not be the Chairperson of the committee. The Committee may invite any person to attend the meeting as appropriate, including external advisers and the CEO or other key management personnel. Invitations shall be extended via the Chairperson, or the Secretary, as directed by the Committee.

**Chairperson:** The Chairperson of the Committee will be elected by the Board. If possible, the Chairperson of the Committee will be a non-executive member of the Board.

**Secretary:** The Secretary of WDLAC will also provide secretarial support to the Committee. The Secretary will be responsible for keeping the minutes of meeting of the Committee and circulating them to Committee members and to the other members of the Board. The Secretary shall distribute supporting papers for each meeting of the Committee as far in advance as possible.

**Quorum and Decision Making:** A quorum for a meeting of the Committee is three directors. A decision will be made by a majority of the votes cast by directors in attendance.

**Access:** Members of the Committee have rights of access to the books and records of WDLAC to enable them to discharge their duties as Committee members, except where the Board determines that such access would be adverse to WDLAC's interests.

**Independent Advice:** The Committee may obtain independent professional advice at WDLAC's expense to assist in fulfilling its duties, subject to the approval of the Board. This may include legal advice, accounting advice, taxation advice, and audit advice, by way of example.

**Minimum meetings and notice:** The Committee will meet at least four times per year and otherwise as required, with the preference being to hold meetings immediately prior to a Board meeting. Annually, the Committee will meet with the independent auditor to discuss the annual audit process and the auditor's findings. Reasonable prior notice of meetings shall be given to members.

**Reliance:** The Committee will be able to rely upon statements made by key management personnel and external advisers where it is reasonable in the circumstances to do so; there are no facts or circumstances of which he/she is aware or ought to be aware that would deny reliance; any advice has been reviewed and questions have been asked as required; and it is consistent with the Committee members' obligations under applicable laws.

## **5. CONFIDENTIALITY**

All proceedings of the Committee are strictly confidential and will not be disclosed to any person other than Board members, except as otherwise agreed by the Board or as required by law.

## **6. TRAINING AND REVIEW OF CHARTER**

- 6.1 The Committee will regularly review its effectiveness and ensure its members undergo training to ensure their ability to discharge their responsibilities.
- 6.2 The Committee will review this Charter to ensure it continues to accord with the needs of WDLAC, legal requirements and best practice, and make recommendations to the Board for alterations as required

---

**Adopted by the Board:** 26 June 2015