



**ACT**  
Government

**Suburban Land**  
Agency

# **BOARD AUDIT AND RISK COMMITTEE CHARTER**

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## 1. Background

- 1.1 The Board of the Suburban Land Agency (SLA) has established an Audit and Risk Committee (**Committee**) in accordance with s. 50(1) of the *City Renewal Authority and Suburban Land Agency Act 2017 (Act)*.
- 1.2 This Board Audit and Risk Committee Charter (**Charter**) sets out the Committee's purpose, authority, composition and tenure, roles and responsibilities, reporting and administrative arrangements under s. 51 of the Act.

## 2. Purpose

- 2.1 The Committee's objective is to assist the Board to discharge its responsibility to exercise due care, diligence and skill in relation to risk management, financial sustainability of SLA, reporting of financial information, the adequacy of the financial controls and legal and regulatory compliance frameworks, and external and internal audit.

## 3. Authority

- 3.1 The Board authorises the Committee, within the scope of the objectives of the Committee, to do as follows:
  - a. obtain information it needs from any SLA employee (all employees are directed to cooperate with Committee requests) and/or external party (subject to the *Territory's Privacy Principles*);
  - b. discuss matters with the external auditor, or other external parties (subject to confidentiality considerations);
  - c. request the attendance of any employee or executive at Committee meetings;
  - d. obtain independent professional advice as considered necessary to meet its responsibilities, at the expense of SLA; and
  - e. investigate any matter brought to its attention with full access to books, records and facilities (subject to legislation).

## 4. Appointment, composition, tenure and skills development

- 4.1 The Board is responsible for the appointment of Committee members.
- 4.2 The Committee will consist of at least three and not more than four members. The Committee may comprise independent (non-SLA Board) members however at least two members must be members of the Board. The Board Chair must not be a member of the Committee.
- 4.3 The Board appoints the Committee Chair.

- 4.4 If a member of the Board is a member of the Committee and they cease to be a member of the Board they will immediately cease to be a member of the Committee. The tenure of any independent Committee member will be determined by the Board.
- 4.5 Committee members must possess an appropriate mix of skills, experience and expertise including high level financial expertise, an understanding of the industry, and familiarity with accounting and audit practice in a public sector environment.
- 4.6 A new Committee member is to be provided with all necessary and relevant information regarding the Committee's responsibilities and SLA's operations and background as part of an induction program.
- 4.7 A Committee member may, seek Board approval to attend seminars or training and development opportunities, related to the functions and responsibilities of the Committee. The Committee member must submit the training and development request in writing to the secretariat, providing details of the expected outcomes, cost, and time implications. A determination will occur at the next available Board meeting.

## **5. Objectives**

- 5.1 The Committee has no executive powers other than those delegated to it by the Board.
- 5.2 The Committee is responsible and accountable to the Board. In accordance with the *Financial Management Act 1996* (FMA) and the Act, SLA Board and the Chief Executive Officer are responsible for managing SLA, not the Committee.
- 5.3 The Committee's objectives may be revised or expanded in consultation with, or as requested by, the Board.

### ***Responsibilities***

- 5.4 The Committee is to assist the Board to discharge its responsibilities by:

#### ***5.4.1 Objective One***

##### ***Providing confidence to the Board that risk is managed in an appropriate manner for the efficient operation of the business by:***

- a. reviewing and satisfying itself that management has in place a current and comprehensive Risk Management Framework, and associated procedures for effective identification and management of financial and business risks, including cyber security, fraud and corruption.
- b. reviewing and satisfying itself that a sound and effective approach has been followed to manage SLA's major risks, including the development of risk management plans for major projects and undertakings, and a procedure for escalating risks to the Board.
- c. determining the impact of SLA risk management framework on its control environment and insurance arrangements.

- d. reviewing and satisfying itself that a sound and effective approach has been followed in establishing SLA's Business Continuity Planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.
- e. recommending a current and relevant risk management framework and policy statement to the Board for approval.

#### **5.4.2 Objective Two**

##### ***Providing confidence to the Board that SLA has implemented an adequate control framework for its operation by:***

- a. satisfying itself that management has in place relevant policies, procedures and frameworks, including Chief Executive Financial Instructions (CEFIs) or their equivalent, that these are periodically reviewed, updated and approved in accordance with the EPSDD Portfolio Policy Governance Policy.
- b. satisfying itself that management has taken steps to embed a culture committed to ethical and lawful behaviour.

#### **5.4.3 Objective Three**

##### ***Providing confidence to the Board that SLA is undertaking all statutory requirements of financial reporting by:***

- a. reviewing the budget and financial statements and providing advice to the Board (including recommendations that the Board Chair approve and sign). In particular, the Committee will review:
  - i. SLA's compliance with Accounting Standards;
  - ii. the appropriateness of accounting policies and disclosures, including any significant changes to accounting policies;
  - iii. areas of significant judgement and financial statement balances that require estimation;
  - iv. significant or unusual transactions;
  - v. management sign-offs in relation to the quality of the financial statements, internal controls and compliance;
  - vi. the auditor's judgments about the adequacy of SLA's accounting policies and the quality of its processes for the preparation of SLA's financial statements, through discussions with the ACT Audit Office; and
  - vii. whether appropriate management action has been taken in response to any issues raised by the ACT Audit Office, including financial statement adjustments or revised disclosures.

- b. acting as an alternative forum for communication between management and the ACT Audit Office.
- c. reviewing the processes in place to satisfy itself that financial information included in SLA's Annual Report is consistent with the signed financial statements.
- d. reviewing and recommending SLA's budget and Statement of Intent and recommending its approval to the Board.
- e. reviewing and recommending SLA's Statement of Performance and recommending its approval to the Board.

#### **5.4.4 Objective Four**

##### ***Providing confidence to the Board that SLA's legislative compliance obligations are met by:***

- a. satisfying itself that management has appropriately considered legal and compliance risks as part of SLA's risk assessment and management arrangements.
- b. satisfying itself that management systems for monitoring SLA compliance with relevant laws, regulations and associated government policies are reviewed.
- c. satisfying itself that SLA's Work, Health and Safety policies and procedures meet applicable legislative requirements.

#### **5.4.5 Objective Five**

##### ***Providing confidence to the Board that internal auditing is undertaken to assess the performance of SLA's operations by:***

- a. acting as an alternative forum for communication between the Board, Executive team, senior management and internal audit firms.
- b. reviewing the Internal Audit Annual Work Plan and recommending that the Board approve the Plan.
- c. overseeing the coordination of audit programs conducted by internal and external auditors and other review functions.
- d. reviewing all audit reports and providing advice to the Board as relevant.
- e. reviewing management's assurances about the implementation of internal audit recommendations.
- f. reviewing the Internal Audit Charter every two-years or as required.
- g. meeting with the Internal Auditors at each Committee meeting to discuss internal audit updates.

#### **5.4.6 Objective Six**

***Providing confidence to the Board that external audits are undertaken in compliance with statutory obligations by:***

- a. acting as a forum for communication between the Board, Executive team, senior management and the ACT Audit Office.
- b. providing input and feedback as relevant on draft financial statements and performance audit coverage proposed by external auditors and provide feedback on the audit services provided.
- c. reviewing all external audit plans and reports in respect of planned or completed audits and monitor management's implementation of audit recommendations.
- d. providing advice to the Board on action(s) taken on relevant external audit reports and better practice guides.

#### **5.4.7 Objective Seven**

***Providing confidence to the Board that SLA's integrity is not compromised by:***

- a. reviewing the Portfolio Fraud and Corruption Prevention Plan every two-years or as required, and being satisfied that SLA has appropriate processes and systems in place to capture and effectively investigate fraud and corruption related information.
- b. recommending the Fraud and Corruption Prevention Plan for Board approval.
- c. monitoring compliance with ACT Government policy and best practice standards on integrity matters.

#### ***External advice***

- 5.5 The Committee may request independent professional advice and/or services in relation to its responsibilities.
- 5.6 The CEO has the appropriate delegation to employ staff and engage consultants and contractors in accordance with the FMA and the Act.

## **6. Responsibilities of Committee Members**

- 6.1 Committee members are expected to understand and observe relevant legislative requirements including the Act, the *Public Sector Management Act 1994* (PSMA) (including the operation of the *Administrative Arrangements as applicable*) and the FMA.
- 6.2 Members must apply good analytical skills, objectivity and good judgment.
- 6.3 Members should express opinions frankly, ask questions that go to the fundamental core of the issue, and pursue independent lines of enquiry.

- 6.4 A member must exercise a degree of honesty, care and diligence in exercising their functions, and must:
- 6.4.1 act in good faith,
  - 6.4.2 not pursue personal interests at the expense of SLA's interests,
  - 6.4.3 not use Committee membership, including confidential information, to gain personal advantage,
  - 6.4.4 adhere to the public sector values, principles and conduct requirements as set out in the PSMA,
  - 6.4.5 not cause detriment to SLA or undermine its reputation, and
  - 6.4.6 comply with any other code of conduct including any other applicable policies adopted by the Board from time to time.
- 6.5 Committee members must take all reasonable steps to understand and comply with the requirements of the Environment, Planning and Sustainable Development Directorate (EPSDD) Portfolio Fraud and Corruption Prevention Plan 2022-24.

## 7. Reporting

- 7.1 The Committee Chair will provide a verbal summary and a copy of Committee meeting minutes to the Board at the next available Board meeting.
- 7.2 The Committee Chair may, at any time, report any other matter to the Board. A Committee member may request a meeting with the Board Chair as required.

## 8. Meetings and Quorum

- 8.1 The Committee will meet at least four times per year. A special meeting may be held to review SLA's annual financial statements and the ACT Auditor-General's audit report.
- 8.2 The Committee Chair calls meetings as required, or if requested by the Board or another Committee member.
- 8.3 A quorum consists of **two** Committee members, one of whom must be a member of the Board.
- 8.4 The Committee will approve an annual work plan, which includes meeting dates and anticipated agenda items and covers the Committee's objectives and responsibilities, as detailed in this Charter.
- 8.5 A meeting may be held using a method of communication, or a combination of methods of communication, that allows a committee member taking part to hear what each other member taking part says without the members being in each other's presence<sup>1</sup>.

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<sup>1</sup> Financial Management Act 1996, s. 97 (1)



- 8.6. The Committee Chair will determine relevant SLA and/or external representatives that may be invited to attend meetings.
- 8.7 The Board Chair may attend Committee meetings by invitation, as an observer.
- 8.8 The Committee will meet with ACT Audit Office at least once a year, including without management present.
- 8.9 SLA internal auditors attend Committee meetings to provide audit updates and discuss relevant audit findings in accordance with the Internal Audit Charter.
- 8.10 A Committee resolution is valid if all members agree to the proposed resolution in writing or by electronic communication, even if it is not passed at a Committee meeting. <sup>2</sup>(i.e., *circulating resolutions*).

## 9. Secretariat

- 9.1 The Board secretariat in SLA Governance provides secretariat support to the Committee.
- 9.2 In carrying out its function, the secretariat will have regard to the process and procedures as set out in this Charter.
- 9.3 The Committee will operate as follows:
  - a. The agenda will be created in accordance with the annual work plan. The secretariat will liaise with the CEO and Chair of the Committee on the agenda prior to each meeting.
  - b. The secretariat will circulate papers to Committee members on a timely basis before the meeting, (at least one week prior or preferably a minimum of five working days prior to meetings) via an online Board portal.
  - c. Committee papers will be retained on the online system for a minimum of two-years, with annotated versions to be retained for a minimum of six-months. Committee papers will be retained on SLA's Electronic Records Management System in accordance with the *Territory Records Act 2002* for a minimum of seven-years.
  - d. A copy of the minutes (subject to timing of unconfirmed minutes) of Committee meetings will be provided at the next available Board meeting.
  - e. The Committee Chair must receive the draft minutes, within one week of the meeting and on Chair approval, minutes will be circulated for Committee member comment.
  - f. Minutes will be presented at the next available Committee meeting for approval as a true and correct proceeding of the meeting and authorisation for the Chair to electronically sign on behalf of the members.
- 9.5 The secretariat will provide approved minutes to the ACT Audit Office on a regular basis, or as requested.

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<sup>2</sup> Financial Management Act 1996, s. 97 (4)

- 9.6 The secretariat will assist the Committee to meet its statutory requirements for reporting, including those resulting from the *Freedom of Information Act 2016*.
- 9.7 In accordance with section 4.10, the secretariat will submit written training and development requests for consideration at the next available Board meeting.

## 10. Conflicts of Interest

- 10.1 The agenda for each meeting must include an item requiring any material interest in an issue to be considered at the meeting to be disclosed to the meeting.<sup>3</sup> Each member and attendee to Committee meetings must declare any potential or actual conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic.
- 10.2 A member has a material interest in an issue if the member has—
- (a) a direct or indirect financial interest in the issue; or
  - (b) a direct or indirect interest of any other kind if the interest could conflict with the proper exercise of the member's functions in relation to the Committee's consideration of the issue.<sup>4</sup>
- 10.3 The secretariat maintains a register of declared conflicts of interest.
- 10.4 The disclosure must be recorded in the Minutes and, unless the Committee otherwise decides, the member must not:
- 10.4.1 be present when the Committee considers the issue; or
  - 10.4.2 take part in a decision of the Committee on the issue.<sup>5</sup>
- 10.5 Any other member who also has a material interest in the issue must not be present when the Committee is considering its decision in clause 10.2 above.<sup>6</sup>

## 11. Assessment Arrangements

- 11.1 The Committee Chair, in consultation with the Board Chair, will agree to a formal review of the performance of the Committee at least every three-years.
- 11.2 The Committee shall consider undertaking a self-evaluation of its performance on the other years to the formal review to determine if it is functioning effectively.
- 11.3 The Board will evaluate the performance of the Committee as appropriate and as required under the Board Charter.

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<sup>3</sup> Financial Management Act 1996, s. 87

<sup>4</sup> Financial Management Act 1996, s. 88(4)

<sup>5</sup> Financial Management Act 1996, s. 88(2)

<sup>6</sup> Financial Management Act 1996, s. 88 (3)

**12. Review of Charter**

12.1 The Committee will review this Charter every two years or as required to ensure relevance and recency and make recommendations to the Board regarding proposed revisions.

<i>Version</i>	<i>Document Control</i>	<i>Last review</i>
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