

# Wheatbelt Natural Resource Management Incorporated

## Audit Committee Policy

<b>Policy Name:</b>	Audit Committee Policy
<b>Policy Number:</b>	1.3
<b>Policy Version Number:</b>	V2.00
<b>Policy Category:</b>	Board Governance
<b>Contact Officer:</b>	Chairperson, Audit Committee
<b>Date Approved by the Board of Management:</b>	8 <sup>th</sup> November 2016
<b>Date of Last Review:</b>	4 <sup>th</sup> November 2016
<b>Period Until Next Review:</b>	36 months from the approved date or as required
<b>Related Legislation:</b>	<ol style="list-style-type: none"> <li>1. Associations Incorporation Act 2015 (Western Australia)</li> <li>2. Professional Practices Framework of The Institute of Internal Auditors</li> </ol>
<b>Related WNRM Policies or Procedures:</b>	<ol style="list-style-type: none"> <li>1. 1.3.1 Terms of Reference, Audit Committee</li> </ol>

### 1. Definitions

“**Audit Committee**” means the Standing Committee that provides advice to the Board of Management on audit matters, undertaking duties as set out in its terms of reference.

“**Standing Committee**” means an advisory committee established for the purpose of assisting the Board of Management with governance matters and specifically mentioned in the Constitution.

“**Immediate Family**” means a spouse, de facto partner, child, parent, grandparent, grandchild or sibling of the employee; or a child, parent, grandparent, grandchild or sibling of a spouse or de facto partner of the employee.

“**Wheatbelt NRM**” means Wheatbelt Natural Resource Management Incorporated.

### 2. Overview

This Policy relates to the function of the Audit Committee, which is a constitutional Standing Committee to the Board of Management.

The primary function of the Audit Committee is to assist and provide advice to the Board of Management on the appropriateness and comprehensiveness of internal controls, compliance and risk management necessary for the effective and efficient operation of Wheatbelt NRM.

### 3. Membership

- 3.1 The Audit Committee will comprise three (3) to four (4) members:
  - 3.1.1 a non-executive Chairperson who is independent to the Board of Management;
  - 3.1.2 the Chief Executive Officer; and
  - 3.1.3 one (1) to two (2) members, including at least one representative from the Board of Management.
- 3.2 The Directors of the Board of Management have the right to attend meetings as observers.

### 4. Policy Statements

- 4.1 The Board of Management will be supported by an Audit Committee that serves as a constitutional Standing Committee and provides an advisory function on audit matters.
- 4.2 The key roles and responsibilities of the Audit Committee are to:
  - 4.2.1 oversee the appointment and outcomes of the external auditors;
  - 4.2.2 review compliance related matters and internal controls;
  - 4.2.3 oversee Wheatbelt NRM's risk management plan and processes; and
  - 4.2.4 review governance frameworks, policies and procedures.
- 4.3 A Board of Management approved Terms of Reference document will set out the operational framework for the Audit Committee.
- 4.4 The Audit Committee will be chaired by an independent Chairperson appointed by the Board of Management, who has no personal interest in Wheatbelt NRM, who is not, or does not represent or have as an immediate family member, a Board Director, partner, supplier, client, employee or contractor of Wheatbelt NRM.
- 4.5 Audit functions will be in accordance with the Professional Practices Framework of The Institute of Internal Auditors, and the Australian Auditing and Assurance Standards Board.
- 4.6 The Audit Committee is required to review the comprehensiveness and appropriateness of internal controls pertaining to Wheatbelt NRM's financial management and reporting practices.
- 4.7 The Audit Committee is not required to validate the annual financial accounts of Wheatbelt NRM.
- 4.8 The Audit Committee will have the opportunity to meet with external auditors, independently of the Board of Management, on an annual basis to ensure all processes are appropriate for the organisation.

## 5. Responsible Officers

The Board of Management, as part of its governance authority, is responsible for the approval and publication of this Policy, including the approval of any subsequent changes.

- 5.1 The Audit Committee is responsible for reviewing this Policy prior to Board of Management approval, and ensuring the scheduled review of this Policy.
- 5.2 The appointed chairperson of the Audit Committee, elected by the Board of Management, has been delegated the responsibility by the Board of Management for the operational compliance of the Audit Committee to this Policy.
- 5.3 The Audit Committee members are responsible to act in accordance with this Policy and make recommendations for its improvement as required.

## 6. Approval

This Policy was approved by the Board of Management on the 8<sup>th</sup> November 2016.

Jim Sullivan  
Chairperson  
Board of Management  
Wheatbelt Natural Resource Management Incorporated