

## WMAA Board of Directors

### Risk and Compliance Committee

#### Charter

1. The Board of the Waste Management Association of Australia (“the Association”) has resolved to establish a Committee of the Board to be known as the Risk & Compliance Committee (“the Committee”) and reserves the authority to appoint or remove the Committee Chairman or any of its members.
2. The Committee’s membership consists of at least four non-executive directors, one of whom the Board considers has recent and relevant financial experience. The Chief Financial Officer or equivalent is expected to attend Committee meetings (at the request of the Chair). Representatives from the Association’s External Auditors and the Association’s Internal Auditors will be invited to attend part of or the entire meeting on a regular basis. A quorum for meetings of the Committee shall be three members.
3. The Committee shall meet, either in person or via teleconference at least four times in a financial year. Meetings may be called by any member of the Committee. On at least one occasion per annum the Committee shall meet with the Association’s External Auditor without executive management present.
4. The Committee is authorised by the Board to perform all duties within its Charter. It is authorised to seek any information it requires from any employee and all employees are directed to co-operate fully with any request made by the Committee.
5. The minutes of each Committee meeting will be tabled at the next Board meeting subsequent to that Committee meeting.
6. The Chairman of the Committee shall attend the Association’s annual general meeting and will be available to respond to questions about the work of the Committee.
7. The Committee on a case by case basis (with the blessing of the Board Chairman) is authorised to obtain outside independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.
8. The duties of the Committee shall be:
  - a. to approve the terms of engagement of the External Auditor and Internal Auditor;
  - b. to make recommendations to the Board, for approval in general meeting, in respect of matters relating to:
    - the appointment or
    - re-appointment or
    - removal of the External Auditor and Internal Auditor;
  - c. In conjunction with the External Auditor monitor the integrity of the financial statements of the Association. In particular to review the half-year and annual financial statements and associated report before submission to the Board focusing on:
    - any changes in accounting policies and practices
    - major judgmental and risk areas
    - significant adjustments resulting from the audit

- the going concern assumption
  - compliance with accounting standards
  - compliance with appropriate legal requirements
  - the avoidance of inaccurate or misleading information;
- d. in conjunction with the Internal Auditor review and monitor the Association's internal control, financial reporting, accounting policies and procedures, risk management systems and governance practices.
  - e. to discuss and agree with the External Auditor (but not unduly influence) before the audit commences the nature and scope of the audit plan.
  - f. to discuss issues and reservations arising from the work of the external auditor and to review the auditor's management letter and management's response;
  - g. to keep under review the overall financial relationship between the Association and its External Auditor and in particular to monitor the External Auditor's independence and objectivity and the effectiveness of the audit process
  - h. to ensure that there are no unsettled issues of significance between management and the External Auditor which could affect the underlying accuracy of the Association's financial reporting;
  - i. to review the Association's arrangements by which employees may in confidence raise concerns about possible business, financial or other improprieties;
  - j. to agree an audit plan with the Internal Auditor concentrating on risk assessment (both financial and non- financial) together with internal control processes
9. The Committee shall monitor and review the effectiveness of the internal audit function at least annually. The Internal Audit shall include:
- a. reviewing any aspect of the organisation as requested by the Risk & Compliance Committee or as directed by the Chairman of the Committee.
  - b. reporting to the Committee on matters which are the subject of an approved audit, or are of a material nature; and
  - c. reporting back to the Committee the progress made in implementing any internal audit recommendations.
10. In order for the Internal Auditor to perform his function effectively:
- a. the Chief Financial Officer or equivalent shall ensure that the Internal Auditor has unfettered access to the Association's records and staff as required in order to carry out any approved audit;
  - b. the Internal Auditor has unfettered access to the Chairman of the Committee; and
  - c. the Internal Auditor will routinely update the Committee and, where appropriate the Board on the Internal Audit matters