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16 January 2013

Miss Janet Coulthard
Contact person
Adnyamathanha Traditional Lands Association (Aboriginal Corporation) RNTBC
PO Box 172
HAWKER SA 5434

The directors
Adnyamathanha Traditional Lands Association (Aboriginal Corporation) RNTBC
C/- Johnston Withers
17 Sturt Street
ADELAIDE SA 5000

Dear Contact person and directors

SECTION 453-1 EXAMINATION – MANAGEMENT LETTER

As you are aware, an examination of the books of your corporation, under section 453-1 of the *Corporations (Aboriginal and Torres Strait Islander) Act 2006* (the Act), was recently undertaken on behalf of this office by Mr Andrew West and Mr Kahsai Tefa (the examiners) from the South Australian based firm of Andrew H West & Associates.

After reviewing the results of the examination I am satisfied that the standard of corporate governance at the corporation is sound and that the directors are carrying out their functions with the required degree of care and diligence with good support from the corporation's lawyers.

I note that the examiners reported that the corporation's activities and income has grown significantly over the past 12 months. However they also reported that the corporation's internal management practices have not kept pace with the growth. In this regard, the examiners recommended that the directors need to take action to strengthen these management practices to become more transparent and thus improve its accountability to its members.

There were also a number of matters identified during the examination that will require attention by the directors. I believe it is appropriate to draw these matters to your attention in this management letter. They are:

- the corporation's register of members and register of former members do not contain all of the required information
- at the time of the examination there were about thirty five applications for membership waiting to be considered by directors
- non-members of the corporation may have participated in the proceedings and resolutions of the AGM held on 22 January 2011

- non-members may have been appointed as directors of the corporation
- non-members may have been appointed as alternate directors of the corporation
- the corporation may not have kept proper minutes of all AGMs, general meetings and directors' meetings
- all payments out of the corporation's money are not supported by adequate documents
- not all of the corporation's documents are kept at the document access address

In addition I note that the name and details for one of the current directors of the corporation (Ms Margaret McKenzie) are not recorded on the Register of Aboriginal and Torres Strait Islander corporations. I would appreciate it if the corporation could attend to this matter

I also require the corporation to provide me with an updated register of members and register of formers and confirmation that the outstanding applications for membership have been considered by the directors.

I have attached a copy of the corporation's rule book and a more detailed summary of the instances of non-compliance identified by the examiners for your information.

I recommend that the directors take action to address these matters as soon as possible. There is no need to report to me about the actions taken on any of the above matters in this letter unless I have asked the directors to do so, or unless the directors wish to do so.

I would also like to take this opportunity to recommend that directors visit ORIC's website and look at ORIC's "*Healthy corporations checklist*". This checklist allows directors to check the corporation's compliance with the rule book and the law. It has been specifically designed to help directors improve the standard of corporate governance at the corporation.

There are also links to important template documents (including the register of members, notices for meetings and minutes for meetings) and other forms that your corporation could put to good use.

The checklist can be easily accessed by visiting www.oric.gov.au, select the "training and support" tab on the homepage, then click on "*Healthy corporations checklist*" on the left hand side of the that page.

If you wish to discuss any of the above matters contact Mr Greg Jepsen using the free number 1800 622 431 (select option 3 when answered) (not free for mobile phones) or by email to greg.jepsen@oric.gov.au

Yours sincerely



Peter Armstrong
Director
Regulation Section

INSTANCES OF SUSPECTED NON-COMPLIANCE

Register of members and former members

1. Contrary to 180-5(1)(c) of the Act and rule 5.8.1(b), the register of members does not contain all of the required information.

The examiners reported:

- the register does not contain the date that each person became a member.

2. Contrary to 180-15(1)(c) of the Act and rule 5.8.1(c), the register of former members does not contain all of the required information.

The examiners reported:

- the register does not contain the date that each person stopped being a member.

Annual General Meetings

3. Contrary to section 201-1 of the Act and rule 6, the directors may not have called the annual general meeting (AGM) for the year ended 30 June 2011.

The examiners reported:

- the minutes of the directors' meetings do not record that the directors called the AGM held on 24 March 2012.

4. Contrary to section 201-115(1) of the Act and rule 6.10, non-members attended the AGM for the year ended 30 June 2010 (held on 22 January 2011) and may have participated in the proceedings and resolutions of that meeting

The examiners reported that:

- 119 persons signed the attendance list for the AGM held on 22 January 2011
- a check against the register of members revealed that 36 persons were not listed as members, two of names were listed twice and one name was illegible.
- there were no proxy votes recorded
- they concluded that there were a maximum of 80 eligible voting members present
- the minutes of the meeting records that votes counted for the resolutions varied between 54 and 120
- they concluded that some of the non-members must have participated in the voting processes at various stages of the meeting.

General meetings

5. Contrary to section 201-1 of the Act and rule 6, the directors may not have called all of the general meetings that have been held since 1 July 2010.

The examiners reported:

- the minutes of the directors' meetings do not record that the directors called the general meetings held on 23 January 2011, 30 July 2011 and 24 March 2012.

Directors

6. Contrary to section 246-1(3)(a) of the Act and rule 7.2(b), non-members may have been appointed as directors of the corporation.

The examiners reported that:

- Ms Lorraine Briscoe and Mr Gordon Coulthard were appointed as directors on 12 March 2010
- Ms Dulcie Wilton was appointed as a director on 22 January 2011
- Mr Wilfred Strangways and Ms Lorelee Wright were appointed as directors on 24 March 2012
- these persons are not listed as being members on the register of members provided to them during the examination.

7. Contrary to section 246-1(3)(a) of the Act and rule 7.2(b), non-members may have been appointed as alternate directors of the corporation.

The examiners reported that:

- Ms Alison Wilton, Mr Kelvin Struck, Mr Stephen Bromley, Ms Charlene Tree, Mr Mark W McKenzie, Mr Tony Clark, Mr Jimmy Neville, Ms Susan Coulthard, Ms Dawn Likouresis, and Ms Sally Marsh were appointed as alternate directors on 24 March 2012
- these persons are not listed as being members on the register of members provided to them during the examination.

8. Contrary to section 212-25 and rule 7.18, persons who are not directors of the corporation have attended directors meetings and may have participated in the proceedings and resolutions of the meetings.

The examiners reported that:

- the minutes of the directors meeting held on 27 August 2010 record that Ms Carmon Buzzacott (member) attended the meeting as a proxy for Ms Lynlee Smans, however, there was no prior record of her appointment as an alternate director
- the minutes of the directors' meeting held on 23 November 2010 record that Ms Brenda Austin and Margaret Brown (members) attended the meeting
- the minutes of the directors' meeting held on 2 March 2011 record that Ms Vicki Wilton-Brown attended the meeting as a director of the corporation, however, there was no prior record of her appointment as a director or as an alternate director
- the minutes of the directors' meeting held on 23 January 2012 record that Mr Gordon Coulthard attended the meeting as a director of the corporation, however, the records of the corporation say that Mr Coulthard stopped being a director on 22 January 2011.

Minutes of meetings

9. Contrary to section 220-5(4) and rule 9.1, the corporation may not have kept proper minutes for all AGMs, general meetings and directors' meetings held since 1 July 2010.

The examiners reported that:

- minutes of all AGMs, general meetings and directors' meetings were not signed by the chair of each meeting within a reasonable time after each meeting or by the chair of the next meeting
- the minutes of the general meeting held on 30 July 2011 did not include an attendance list
- the minutes provided to them for the AGM held on 24 March 2012 appear to be incomplete
- the corporation was unable to provide the minutes of the general meeting held on 24 March 2012 for inspection during the examination.

Financial Management

10. Contrary to section 322-10(1) of the Act and rule 9, the corporation may not keep written financial records that correctly record and explain its transactions and financial performance.

The examiners reported that:

- not all payments out of the corporations money are supported by adequate documents or tax invoices
- a high percentage of payments made using the credit card were not supported by invoices or adequate documents.

11. Contrary to section 322-10(2) of the Act, the corporation may not have retained its financial records for the past seven years.

The examiners reported:

- that they were unable to verify the existence of financial records since 2005.

Other

12. Contrary to section 322-20(2) of the Act and rule 9.2, not all documents are kept at the corporation's document access address (i.e. Johnston Withers, Solicitors, 17 Sturt Street, Adelaide).

The examiners reported that:

- the minutes of meetings and legal and associated documents are kept at Johnston Withers, Solicitors, 17 Sturt Street, Adelaide
- the financial records are kept at Rosenberg & Co, Accountants, of North Adelaide
- the register of members register and other documents are kept at Umeewarra Aboriginal Media Association (Umeewarra Radio) in Port Augusta.