

**Name** : **Audit and Risk Committee  
Terms of Reference**

**Approved by** : **Council**

**Contact** : **University Secretary**

**Last reviewed** : **12 March 2021 (by Council)  
15 February 2021 (by Audit and Risk  
Committee)**



## **AUDIT AND RISK COMMITTEE – TERMS OF REFERENCE**

### **PURPOSE**

The purpose of the Audit and Risk Committee is to assist Council in fulfilling its governance and oversight responsibilities in relation to:

- the financial reporting process, risk management
- internal control
- compliance
- external audit
- internal audit.

### **GOVERNING BODY**

This committee is a standing committee of Council.

### **RESPONSIBILITY**

In fulfilling its purpose the Committee will:

#### **Risk management, internal control and compliance**

1. Oversee and review the University's risk management, business continuity, internal control (including fraud, improper conduct and whistleblowing) and compliance frameworks, including:
  - (a) Reviewing the adequacy of these frameworks
  - (b) Reviewing reports under these frameworks from management, internal audit and external audit and monitoring management responses and actions
  - (c) Understanding and monitoring changes to the University's environment and the effectiveness of the processes for identifying and managing emerging risks
  - (d) Review and recommend to Council for approval the University's Enterprise Risk Register
  - (e) Reviewing and making recommendations to Council on the University's risk appetite and risk appetite statement
  - (f) Considerations of risk and compliance culture
  - (g) Receiving reports and updates on material litigation and instances of fraud and improper conduct
2. Review and monitor related party transactions
3. Review relevant disclosures and attestations for annual reporting

## **Insurance**

4. Review reports on the adequacy of insurance coverage having regard to the University's business and claims trends and make recommendations to Council on the adequacy of cover

## **Financial statements**

5. Review the annual financial statements of the University and its controlled entities to determine:
  - (a) that they comply with the University's statutory responsibilities and relevant accounting standards
  - (b) that they reflect discussions with management and the external auditors
  - (c) the integrity of financial reporting including in relation to significant, complex or unusual matters, related party transactions and areas of judgement

and then, subject to satisfaction of all items in this section, recommend the annual financial statements to Council for approval.

6. Review with management and the external auditors the results of the external audit
7. Obtain and review management representations

## **Annual report**

8. Review the other (non-financial) sections of the annual report and recommend to Council for approval.

## **Controlled and associated entities**

9. Receive reports on the governance and oversight of the University's controlled and associated entities and joint ventures.

## **Internal audit**

10. Review and assess the effectiveness and performance of the internal auditor
11. Approve the appointment, replacement or termination of the internal auditor
12. Review and approve the annual internal audit plan, ensuring its alignment with the University's Enterprise Risk Register
13. Periodically review the Internal Audit Charter
14. In consultation with the Vice-Chancellor, review and approve the budget and internal resources for the provision of the internal audit function
15. Review internal audit reports and assess whether matters are being managed and rectified in an appropriate and timely manner
16. Meet separately with the internal auditor to discuss any matters as required

## **External audit (Victorian Auditor-General)**

17. Review the scope of the external audit plan with the external auditor and management
18. Consider any findings and recommendations of the external auditor and review and monitor management's response
19. Discuss with the external auditor any audit problems or difficulties encountered in the course of audit work including any restriction on access to information
20. Meet separately with the external auditor to discuss any matters as required

## Access to Management

Committee members have right of access to management, and to external and internal auditors without management present, and the right to seek explanations and additional information following consultation with the Chairperson and the Vice-Chancellor.

## Independent Professional Advice

The Committee has the right to seek independent, expert advice to assist it in undertaking its oversight responsibilities.

## COMPOSITION

### Membership

Name	Type of Appointment
Chancellor	Ex-officio
The number of independent non- executive Council members determined by Council	Appointed by Council
The number of co-opted members determined by Council (no greater than 50% of Committee membership)	Appointed by Council

Committee members will be rotated to ensure changes in membership are staggered to maintain continuity

### Standing Invitees

Name
Vice-Chancellor
Chief Financial Officer
External Auditor
Internal Auditor

In addition, any University employee or external professional adviser may attend Committee meetings if invited by the Chair.

### Skills and capability

Membership must meet the requirements of the *Standing Directions of the Minister for Finance under the Financial Management Act 1994*.

All members must be financially literate and there must be at least one member who has appropriate expertise in financial accounting or auditing.

The University will provide new members with an appropriate induction program and provide all members with the resources as reasonably requested by the Committee.

### Chair

The Chair of the Committee will be elected by Council from the non-executive independent members of Council on the Committee. The term of office is for up to two years and is eligible for reappointment.

In the absence of the Chair the Committee will elect a chair from among the independent members.

### **Secretary**

The University Secretary or nominee will be the Committee Secretary.

## **OPERATING PROCEDURES**

### **Quorum and Voting**

A quorum of the Committee will consist of half the members of the Committee.

Each member will have one vote and decisions shall be made on a majority basis.

### **Meetings**

1. The agenda together with reports and documents that relate to the Committee will be forwarded to members in sufficient time to enable consideration prior to meetings. Where practical, this will be one week prior to the meeting.
2. Accurate minutes will be kept of each meeting of the Committee. The minutes of a meeting shall be submitted to committee members for confirmation.
3. The Committee will meet as required throughout the year with a minimum of four meetings to be held.
4. Meetings may be in person or via circulation.
5. When resolutions are circulated electronically for endorsement, members may respond electronically either in the affirmative or negative or request a meeting or teleconference to discuss them.
6. The Chair shall call a meeting of the Committee if so requested by any member of the Committee or by the Chancellor, Deputy Chancellor, Vice-Chancellor, or internal or external auditor.
7. Management or parties external to the University may be invited to attend any meeting of the Committee or part thereof.
8. Non-members of the Committee may be asked to withdraw from all or any part of any meeting and may not vote on any matter at a meeting.
9. The Chair is responsible for the development of the agenda for Committee meetings in conjunction with the Vice-Chancellor and the Secretary.
10. The Chair is responsible for the presentation to Council of the recommendations or deliberations on its agenda and determines the selection of the necessary documentation to support Council in its consideration of the Committee's recommendations.
11. All members of Council not on the Committee may attend meetings of the Committee as an observer and shall be entitled to receive the agenda, minutes and the meeting papers subject to the University's policy on conflicts of interest.

### **Reports**

The minutes of each meeting shall be provided to Council. The Chair will report to Council after each Committee meeting on the business, findings and recommendations of the Committee.

### **Evaluation and Review**

The Committee will annually evaluate its performance and its terms of reference through a self-assessment against its charter duties and responsibilities.