

Name: Audit and Risk Committee  
Terms of Reference

Approved by: Council

Contact: University Secretary

Last reviewed: 12 March 2020 (by Council)  
14 November 2019 (by Audit and Risk Committee)



## **PURPOSE**

The purpose of this document is to set out the terms of reference, composition and operating arrangements of the Audit and Risk Committee.

## **GOVERNING BODY**

This committee is a standing committee of Council.

## **RESPONSIBILITY**

The role of the Committee is to assist Council in the effective discharge of its responsibilities by providing independent assurance and advice to the Council regarding the University's risk, control and compliance framework and its financial statement responsibilities. The Committee's oversight of financial reporting, does not remove the Council's responsibility to ensure the integrity of financial reporting.

The Committee's functions and responsibilities are to:

### **Risk management**

- a) determine whether the University has in place an effective and appropriate risk management framework, under which all significant or material risks are identified, analysed, managed and reported to Council;
- b) review whether appropriate fraud control arrangements processes and systems are in place to detect, capture and effectively respond to fraud-related information;
- c) review whether appropriate business continuity planning arrangements are in place;
- d) review the University's insurances and report to Council on the adequacy of cover.

### **Financial statements**

- e) review significant financial and reporting issues, including related party transactions, complex or unusual transactions and significant accounting and financial reporting issues;
- f) consider the appropriateness of the accounting principles and policies adopted and the methods of applying those principles and policies;

- g) review with management and the external auditors the results of the external audit, including any difficulties encountered and any matters required to be communicated to the Committee under Australian auditing standards;
- h) review and recommend to Council whether the financial and non-financial statements should be approved and signed.

#### **Internal controls and compliance**

- i) monitor and review the effectiveness of the University's systems for internal control, as well as its systems for compliance with laws, standards, University legislation and policy, and other requirements (including with the Standing Directions of the Minister for Finance under the Financial Management Act 1994);
- j) review attestations being made by management regarding compliance with the relevant risk, financial and compliance reporting standards and requirements.

#### **External audit**

- k) review the scope of the external audit plan with the external auditor and management and monitor its implementation;
- l) monitor and critique managements responsiveness to the external auditor's findings and recommendations and have regard to any significant disagreements with management (irrespective if have been solved);
- m) meet privately, at least on an annual basis, with the external auditor.

#### **Internal audit**

- n) recommend to Council the appointment and removal of the internal auditor and assess their performance on an annual basis;
- o) review the Internal Audit Charter and retainer and where appropriate recommend amendments to Council;
- p) in consultation with the Vice-Chancellor, review and approve the budget (and if applicable remuneration) for the provision of the internal audit function and having regard to the adequacy of the internal audit resources to carry out its responsibilities, including completion of the approved internal audit plan;
- q) review and approve the internal audit plan and monitor its implementation;
- r) review internal and external audit reports and assess whether matters are being managed and rectified in an appropriate and timely manner;
- s) meet privately, at least on an annual basis, with the internal auditor.

#### **Access to Management**

Committee members shall have complete and open 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
At least three non-executive Council members, a majority of whom must be	Appointed by Council

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

The University will assist the Committee in maintaining appropriate financial literacy. The University is responsible for providing new members with an appropriate induction program and educational opportunities, and the full Committee with educational resources relating to accounting principles and procedures, current accounting topics, pertinent to the University, and other resources, as reasonable requested by the Committee.

### Standing Invitees

Name
Vice-Chancellor
Chief Financial Officer
External Auditor
Internal Auditor

### 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. 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 on Committee matters included in the Council agenda for discussion.

### **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.