Terms of Reference

Audit and Risk Committee

Trim location	12/G/7
Responsible officer	University Secretary
Approval Date	9 October 2023
Approval Authority	Council

1 Purpose

The primary purpose of the Audit and Risk Committee is to provide independent assistance to the University Council by overseeing and monitoring the governance, risk, and control and compliance frameworks, as well as internal accountability requirements of the University and its controlled entities. The Committee provides direction and oversight of organisational culture and ethical behaviour across its key responsibilities which include:

- Internal Audit
- External Audit
- Risk Management
- Internal Controls
- Corruption and fraud prevention
- Compliance with applicable legislation, rules and regulations.

2 Responsibilities

The duties and responsibilities of the Audit and Risk Committee as determined by Council are:

2.1 Internal Audit

- on at least a triennial basis, review and endorse, for Council's approval, the Assurance (Internal Audit) Charter
- approve the appointment of, or changes to, the Director (Assurance Services) position, including any proposed termination of employment by the University
- review and approve an Assurance (Internal Audit) Strategy on a triennial basis
- review and approve the annual Internal Audit Plan and resourcing, monitor its scope and progress, and approve any significant changes to the Plan
- review and approve internal audit reviews conducted in accordance with the annual Internal Audit Plan
- provide a forum for the internal audit function in respect of its resourcing, planning, monitoring and reporting processes
- ensure the Director (Assurance Services) has unfettered access to information for the achievement of the Internal Audit Plan and scoping of audits
- evaluate the performance of the internal audit function by reference to the annual Internal Audit Plan, Strategy and established performance indicators, ensuring that it complies with appropriate professional standards in the conduct of its activities

- ensure that significant findings and recommendations made by the internal audit function together with management's responses are received and appropriately acted upon in a timely manner.

2.2 External Audit

- consult with the external auditor on the proposed audit strategy, audit plan and audit fees for each coming year
- review the significant findings and recommendations made by the external auditor and assess management's responses to such findings and recommendations
- ensure that the external auditor has unfettered access to all University records
- evaluate the overall effectiveness of the external audit function in providing adequate audit coverage, ensuring that there is appropriate coordination of activities with the internal audit function.

2.3 Risk Management

- monitor strategic and operational business risks, including health and safety, fraud and corruption, under an institutional risk management framework ensuring risk is managed within Council's risk appetite and tolerance levels
- review and assess the actions taken to identify and manage the University's exposure to business risk and corruption and monitor the development and implementation of measures and strategies to minimise their impact and operate within Council's risk appetite and tolerances
- evaluate the adequacy of the University's business continuity, disaster recovery plans and critical incident management processes to ensure relevance and reliability
- satisfy itself that insurance arrangements are appropriate for the risk management framework
- liaise with management to ensure there is a common understanding of the key risks to the University.

2.4 Internal Controls

- review through the internal and external audit functions, whether relevant policies and procedures are in place and up to date, including those for management and exercise of delegations including compliance
- review through the internal and external audit functions, the adequacy of internal control structures and systems, including technology security
- monitor strategies to enhance an organisational culture which is committed to ethical and lawful behaviour.

2.5 Corruption and Fraud Prevention

- review anti-fraud and corruption strategies and programs which may include Fraud and Corruption Control Framework, Fraud and Corruption Control Plan, relevant policies and procedures, reports of material concern about fraud or corrupt conduct, reports of exposure to internal and external fraud and corruption threats, data breach response incident reports, and delivery of mandated staff training.
- satisfy itself that it is being adequately informed regarding management's knowledge of actual, suspected or alleged fraud or corruption and how management responded to such instances, including changes made to the control environment
- receive periodic reporting on public interest disclosure matters and material incidents under the Fraud and Corruption Management Policy, Corrupt Conduct Reporting Policy, and Public Interest Disclosure Policy.

2.6 Compliance

- review the adequacy and effectiveness of the University's framework and processes for monitoring legal and compliance risks as part of risk assessment and management arrangements

- review the results of management's investigation and follow-up all compliance issues and obtain regular updates from management regarding compliance matters that may have a material impact on the University's financial statements and/or reputation

- review the findings of any examinations carried out by regulatory agencies including auditor observations

- review the effectiveness of the system for monitoring the University's compliance with applicable laws.

3 Authority

Council authorises the Committee, within the scope of its responsibilities, to:

- perform activities within its terms of reference as the Committee deems relevant and necessary

- engage independent counsel and other advisers as it deems necessary to carry out its duties

- require the attendance of University employees at meetings as appropriate

- have unrestricted access to management, employees, systems and records

- receive any relevant information it requires from any employee of the University or any of its controlled entities

- conduct or authorise investigations into matters within the scope of its responsibility.

4 Membership

Council nominates and appoints the Committee members.

Membership of the Audit and Risk Committee consists of:

- at least three members of the Council (one of whom shall be the Deputy Chancellor) who are not employees or students of the University, and who and are able to contribute to the broad skills base relevant to the business of the Committee

- at least one person (and up to two persons) external to the Council and staff of the University who represents the accounting profession and has experience in auditing

- the Chancellor of the University.

The Chair shall be elected by the Committee from and by the members, but the Chair shall not be the Chancellor.

Members will be appointed for a term of office to run concurrently with the term of office of the Council.

The Vice-Chancellor is invited to attend all meetings of the Committee but is not a member.

The Charter of University Governance determines the expectations for the Committee in terms of diversity and equality. Council strives to ensure that no one gender identity will comprise more than 60% of the membership of the Committee and acknowledges there is a limit to achieving this aim given the structure of Council's membership.

5 Meetings

- The Audit and Risk Committee will meet at least six times per year.

- The Chair shall call meetings of the Committee as required or if requested to do so by any Committee member, the internal or external auditors, the Chancellor, or the Vice-Chancellor.

- The Committee may invite other persons, including members of management and staff and the external auditor to attend meetings and provide information as necessary.

- Meetings are conducted in accordance with the [Guidelines for the Conduct of Meetings of Council and Council Committees](#).

6 Ethical Practices, Confidentiality and Independence

Members of the Committee are to:

- exercise objectivity and probity in the discharge of their duties and responsibilities
- refrain from performing any activity that may prejudice their ability to carry out their duties and responsibilities objectively and independently
- act in a proper and prudent manner in the use of information acquired in the course of their duties and responsibilities
- exercise sound judgement guided by the highest personal standards of honesty and integrity in all matters relating to membership of the Committee
- ensure that they do not place themselves in situations which could lead to, or be perceived to, give rise to a conflict of interest
- disclose to the Committee any matter which could compromise, or be seen to compromise, the performance of their duties on the Committee or give rise to a perception of a conflict of interest.

7 Secretary

The Director (Governance) and University Secretary acts as Secretary to the Committee.

8 Performance Evaluation

At a time that coincides with the self-evaluation of performance undertaken by Council, the Committee will undertake a self-evaluation of its performance utilising such self-assessment tool as Council shall approve. The evaluation shall be submitted to Council.

If directed by Council, the Committee will arrange for an external review of its activities.

9 Review of Terms of Reference

These Terms of Reference will be reviewed annually by the Committee to ensure they remain consistent with the Committee objectives and responsibilities. Any proposed amendments to the Terms of Reference will be referred to Council for approval.

Modification History

Date	Source	Details
08/10/23	Council	Revised Terms of Reference following annual review by Audit and Risk Committee
10/10/2022	Council	Revised Terms of Reference following annual review by Audit and Risk Committee
18/10/2021	Council	Revised Terms of Reference following annual review by Audit and Risk Committee
26/10/2022	Council	Revised Terms of Reference following annual review by Audit and Risk Committee
28/10/2019	Council	Revised Terms of Reference following annual review by Audit and Risk Committee (no change)
22/10/2018	Council	Revised Terms of Reference following annual review by Audit and Risk Committee (minor editorial revision only)
30/10/2017	Council	Revised Terms of Reference following annual review by Audit and Risk Committee (no change)
12/12/2016	Council	Revised Terms of Reference following annual review by Audit and Risk Committee (no change)
14/03/2016	Council	Revised membership provisions
7/12/2015	Council	Revised Terms of Reference following annual review by Audit and Risk Committee
15/10/2014	University Secretary	Minor editorial change (under section 3 – replaced the term 'officers' with 'employees')
1/09/2014	Council	Revised Terms of Reference following annual review by Audit and Risk Committee
10/05/2013	Council	Revised Terms of Reference