

Governance**Audit and Risk Committee Constitution****1. Committee of the Senate**

- (1) The Audit and Risk Committee is a committee of the Senate.
- (2) The Audit and Risk Committee operates in accordance with the Senate Code and the Senate Standing Orders in their application to Senate Committees.

2. Role

- (1) The role of the committee is to assist the Senate in fulfilling its responsibilities in overseeing the University's financial reporting and overseeing the University's systems of internal control and its risk management framework. In fulfilling this purpose, the committee will —
 - (a) review and assess the University's frameworks which ensure the integrity of the financial statements and reporting, and associated compliance with legal and regulatory requirements;
 - (b) review and assess the integrity of the external audit process as a whole;
 - (c) review and assess the effectiveness of the systems of internal controls and risk management framework;
 - (d) review and assess the performance of the internal audit function;
 - (e) review and assess the University's compliance with relevant regulatory, legal requirements and contractual obligations; and
 - (f) review and assess University risk and compliance matters regarding its people and culture,

and make recommendations to the Senate in relation to each of these areas, where necessary.

3. Responsibilities

- (1) Responsibilities of the committee include —

Integrity of financial statements and reporting

- (a) reviewing and recommending to the Senate for approval the annual financial statements. The review will include consideration that the annual financial statements provide a true and fair view of the financial position of the university, and a discussion with management and the external auditors prior to their submission and recommendation to the Senate;
- (b) reviewing the completed annual declaration of assurance by the Vice-Chancellor and Chief Financial Officer;
- (c) reviewing the appropriateness of accounting policies and principles, as well as critical accounting judgements and key estimation uncertainties, used in the preparation of the annual financial statements;

Engagement with external auditors

- (d) reviewing with management the terms, including the scope, of the external auditor's engagement and approving the audit plans of the University's external auditors, including the degree of coordination between the internal and external audit teams;
- (e) reviewing the summary management report prepared by the external auditor, including significant findings and responses of management; and assessing any significant recommendations of the auditors to strengthen the internal controls and reporting systems of the University;
- (f) meeting with the external auditors, **without the presence of management**, to discuss the quality of the University's accounting principles, material judgements, and any other matters that the committee or external auditors deem appropriate;
- (g) reviewing, assessing and monitoring management's responsiveness to external audit findings;

Internal controls and risk management

- (h) reviewing management and internal audit reports on the effectiveness of the internal controls, risk management systems and management of material business risks;
- (i) reviewing and assessing the effectiveness of the internal controls which form the University's risk management framework reporting systems and processes for managing risk and controlling their financial impact, including those in relation to controlled entities;
- (j) reviewing and assessing the effectiveness of the University's identification and management of material business risks;
- (k) reviewing, assessing, and recommending to Senate:
 - (i) the University's Risk Appetite Statement and Risk Matrix (annually); and
 - (ii) the Risk Profile (every six months);

Internal audit

- (l) reviewing, assessing and approving the appointment of the Internal Auditor for the University and any proposed changes to that appointment, and ensuring the Internal Auditor has direct access to the committee Chair;
- (m) meeting with the Internal Auditor without the other members of management being present whenever it is deemed appropriate by the committee Chair;
- (n) reviewing the scope and adequacy of the internal audit work plan, including approving the annual audit plan to ensure it is aligned with identified risks of the University and the external audit plan;
- (o) monitoring follow up action in response to internal audit's recommendations and management's agreed action plans;
- (p) reviewing and assessing the performance and objectivity of the internal audit function;

Legal and regulatory compliance

- (q) reviewing and assessing the effectiveness of and compliance with relevant regulatory and legal requirements and contractual obligations;
- (r) reviewing and assessing the effectiveness of and compliance with the University's policies, in particular governance-level policies, as relevant;
- (s) obtaining regular updates from the General Counsel regarding any material litigation and the University's compliance with significant statutory requirements;
- (t) overseeing the process for the receipt, retention and treatment of information received under the university's Whistleblower Policy, and procedures for complaints regarding matters relating to audit, financial statements, internal controls, misbehavior, possible fraud or conduct that is in breach of the university's Code of Conduct;
- (u) overseeing the University's processes to ensure ongoing compliance with the Higher Education Standards Framework (Threshold Standards) 2021 and the ESOS National Code of Practice for Providers of Education and Training to Overseas Students 2018;

People and culture

- (v) reviewing, assessing and monitoring significant work health and safety risks and reviewing and assessing the effectiveness of and compliance with work health and safety legislation;
- (w) monitoring written notifications made to external regulatory bodies regarding alleged misconduct by a University Officer,¹ and the status and outcomes of such matters;

¹ Refer to the definition of 'University Officer' in the University's Policy Framework Policy (UP 20/4).

Other matters

- (x) holding individual executive sessions with the Chief Financial Officer or other senior management to discuss matters with the Committee, as appropriate; and
- (y) performing any other duty or undertaking that the Senate may request from time to time.

4. HESF/ESOS Oversight Responsibilities

In performing its role and responsibilities, the committee monitors compliance with those standards relevant to its remit contained in the Higher Education Standards Framework (Threshold Standards) 2021, the ESOS National Code of Practice for Providers of Education and Training to Overseas Students 2018 and as required by other higher education regulators and regulatory bodies.

5. Membership

- (1) The committee comprises —
 - (a) at least two external members appointed by and from the Senate as follows:
 - (i) an external member as Chair;
 - (ii) at least one other external member; and
 - (b) at least two and not more than four external members co-opted by the foregoing.
- (2) At the beginning of each year the committee must appoint from among its members an external member of the Senate as Deputy Chair.
- (3) Except as set out in (4) an external member is one who does not hold any University position, either paid or honorary and is not a student of the University.
- (4) For the purpose of membership of this committee, the Senate may, in exceptional circumstances, determine that a holder of a clinical, adjunct or honorary position is an external member but such a person may not hold the position of Chair or Deputy Chair unless the Senate (in the case of the Chair) or the committee (in the case of the Deputy Chair) otherwise determines.
- (5) The following are standing invitees to meetings of the committee —
 - (a) the Chancellor;
 - (b) the Vice-Chancellor;
 - (c) the Senior Deputy Vice-Chancellor;
 - (d) the Chief Financial Officer;
 - (e) a representative of the internal audit contract provider; and
 - (f) a representative of the Office of the Auditor General.

6. Term of office

The term of office of members is normally three years.

7. Eligibility for a second or subsequent term of office

At the end of a term of office, members are eligible to be reappointed or co-opted again for up to three terms or a maximum of nine years.

8. Skills and/or qualifications of members

- (1) It is desirable that members appointed under 5(1)(a) have a strong financial or business background.
- (2) In determining co-options under 5(1)(b), the committee —
 - (a) ensure that co-options provide appropriate expertise identified by the committee;
 - (b) consider issues of conflict, confidentiality and availability; and
 - (c) consider co-opting members of the alumni, potential future members of the Senate and former members of the Senate.

9. Quorum

- (1) The quorum for the committee is half the number of members and must include at least one of the members appointed under 5(1)(a).
- (2) Members are normally expected to be in physical attendance at meetings but in exceptional circumstances when a member is not able to attend in person, and at the discretion of the Chair, members may participate in the meeting for specific items by electronic means.

10. Decisions

- (1) All questions which come before the committee are decided by a majority of the members present and voting.
- (2) The chair of the meeting has an ordinary vote and a casting vote.

11. Frequency of meetings

- (1) The committee will meet at least four times a year.

12. Review and Performance

- (1) The committee shall, annually —
 - (a) review this Constitution to ensure that it complies with relevant legislative and regulatory requirements, and that it accurately reflects the committee’s current role and responsibilities. Any revisions will be recommended to the Senate for approval; and
 - (b) perform an evaluation of the committee’s performance to determine whether it is functioning effectively by reference to global good practice and report the outcomes to Senate.

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