

Governance (Audit and Risk Committee) Rule 2006 No. 1

Division 1 - Introduction

1 Name of Rule

- (1) This Rule is the Governance (Audit and Risk Committee) Rule 2006 No. 1.
- (2) This Rule may be referred to as the Terms of Reference - Audit and Risk Committee.

2 Commencement

- (3) This Rule commences on 24 February 2006 [CNL06/04].

3 Purpose

- (4) This Rule is enacted for the purpose of establishing an Audit and Risk Committee of the Council and conferring on that Committee certain functions of the Council under the [Act](#)

4 Authority

- (5) This Rule is made pursuant to authority granted to the Council under clause 4 of Schedule 1 of the [Act](#), section 20 and 32 of the Act.
- (6) Notes:

Clause 4 of Schedule 1 of the [Act](#) states that the Council may establish committees to assist it in the exercise of its functions and may delegate to the Committee, under section 20 of the Act, all or any of its functions. Section 32 of the Act states that the Council may make rules with respect to the functions, processes and procedures of committees of the Council.

5 Glossary

- (7) In this Rule:
- a. Act - means the [Charles Sturt University Act 1989](#).
 - b. By-law - means the [Charles Sturt University By-law 2005](#).
 - c. Committee - means the Audit and Risk Committee established under this Rule in accordance with clause 4 of Schedule 1 of the Act.
 - d. Council - means the University Council established under section 9 of the Act.
 - e. external person - has the same meaning as set out in section 9 (10) of the Act.
 - f. Secretary - means the University Secretary appointed under the By-law.

- (8) Notes:

- (9) Section 9 (10) of the [Act](#) defines an external person as persons who are not members of the academic or general staff of the the University or undergraduate or postgraduate students of the the University.

6 Notes and Headings

(10) The notes in the text of this Rule do not form part of this Rule.

(11) Headings do not form part of this Rule.

Division 2 - Committee

7 Establishment of Committee

(12) There is to be an Audit and Risk Committee of the Council.

8 Terms of Reference

(13) The principal functions of the Committee are to:

- a. oversight risk assessment within the the University, and the internal control systems in place to underpin this assessment,
- b. oversight the processes necessary to support a compliance framework in the context of best practice corporate governance as it relates to adherence to law, the University policies, and accepted procedures,
- c. promote an ethical culture throughout the the University,
- d. review reporting processes, especially in the area of financial reporting, with special reference to accounting and audit standards, and in the area of budgeting, focussing on the reasons behind any material variances from budgets,
- e. monitor the adequacy of IT systems and their ability to provide relevant, accurate and timely information,
- f. provide relevant advice to Council on the appointment of the internal auditor,
- g. liaise closely with the internal auditor on the preparation and implementation of the annual internal audit program and any changes thereto, as well as related fees, and recommend the same to Council for adoption,
- h. liaise with the internal auditor with respect to the appointment of independent audit contractors,
- i. review the reports of the internal auditor (including internal audit contractors) and of the external auditor, and monitoring the implementation of accepted recommendations,
- j. consult with the external auditor about the nature of the statutory audit, and meeting with him/her as part of the finalisation process of the annual audit,
- k. review the annual financial statements of the the University and make recommendations to the Council with respect to their approval,
- l. recommend to the Council the compliance policy for the the University,
- m. receive and review reports on compliance and make recommendations to management and/or the Council, and
- n. oversight the management of referrals from external agencies regarding compliance matters, and
- o. review any matter that the committee reasonably feels may impact on the risk or compliance profile of the the University.

(14) In exercising its functions under clause 10, the Committee may:

- a. require the attendance of any employee or contractor of the the University at a meeting of the Committee,
- b. require the production of any document in the custody of the the University,
- c. require the production and submission of reports from employees or contractors of the the University, and
- d. commission independent reviews and obtain external advice.

(15) The Committee shall have such:

- a. other functions as may be necessary to enable it to exercise the functions specified in clauses 10 and 11, and
- b. resources as are necessary to ensure it can undertake its functions in a timely and efficient manner.

9 Membership

(16) The Committee shall comprise five members of the Council, the majority of whom shall be external members, appointed at a meeting of the Council for a term not exceeding 4 years. Members may be re-appointed at the end of a term.

(17) Notwithstanding clause 13, the Succession Planning Committee may approve, on recommendation of the Audit and Risk Committee, the appointment of up to two persons to the Audit and Risk Committee who are not members of the Council where the Succession Planning Committee is satisfied as follows:

- a. the person has relevant skills, qualifications and/or experience relevant to the functions of the Audit and Risk Committee; and
- b. the person is able to exercise independent judgment in fulfilling their functions as a member of the Committee.

(18) Notwithstanding clauses 13 and 14, the following persons may not be members of the Audit and Risk Committee:

- a. a member of the Chancellor's Committee or Resource and Infrastructure Committee of the Council;
- b. the Vice-Chancellor, a Deputy Vice-Chancellor, the Chief Financial Officer, or a member of the staff of the Division of Finance of the the University.

(19) The Council will elect a member of the Council to be chair of the committee.

(20) To the extent practicable, the chair should be a person with relevant financial, commercial, legal or audit qualifications and experience at senior level.

10 Attendance at Meetings

(21) The Chair may approve the attendance from time to time of:

- a. a contract auditor,
- b. an employee or contractor of the the University,
- c. a member of the Council,

for the whole, or any part, of a meeting of the Committee.

(22) Without derogating from the authority of the chair under clause 18, the following persons may generally attend meetings of the committee:

- a. University Auditor, and
- b. Chancellor, and
- c. Vice-Chancellor,
- d. the external auditor.

11 Consultation with External Auditor

(23) The chair and the external auditor should consult prior to each meeting to agree on those parts of the meeting of the Committee that the external auditor should attend.

12 Joint Meetings

(24) The chair may approve, in consultation with the chair of another committee or body of the the University, a joint meeting to consider matters of mutual interest.

13 Distribution of Agenda and Official Minutes

(25) In addition to any other requirement established in the Rules of the Council, the agenda and official minutes of the Committee are to be distributed to:

- a. the University Auditor, and
- b. the external auditor.

14 Special Provisions Regarding Meetings of the Committee

(26) The members of the Committee may meet without other persons present prior to each meeting of the Committee for such a period as may be determined by the chair from time to time.

Status and Details

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