

Governance (Finance, Audit and Risk Committee) Rule 2015 No. 1

Section 1 - Introduction

1 Name of Rule

(1) This Rule is the Governance (Finance, Audit and Risk Committee) Rule 2015 No. 1.

2 Commencement

(2) This Rule commences on 1 January 2016 under resolution CNL15/101.

3 Purpose

(3) This Rule is enacted to establish the Finance, Audit and Risk Committee and to confer on that Committee certain functions under the [Charles Sturt University Act 1989](#).

4 Authority

(4) This Rule is made pursuant to authority granted to the Council under clause 4(1) of Schedule 1 of the Act, and sections 20 and 32 of the Act.

(5) Note: Clause 4(1) 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

(6) 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 Finance, Audit and Risk Committee established under this Rule in accordance with clause 4(1) of Schedule 1 of the Act.
- d. Council - means the University Council established under Part 3 of the Act.
- e. external person - has the same meaning as set out in section 8A of the Act.

(7) Note: section 8A of the Act defines an external person as a person other than a member of the academic or general staff of the University or an undergraduate or graduate student of the University.

- a. Secretary - means the University Secretary appointed under the By-law.

6 Notes and Headings

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

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

Section 2 - Committee

7 Establishment of Committee

(10) There is to be a Finance, Audit and Risk Committee.

8 Terms of Reference

(11) The principal functions of the Committee are:

- a. to oversight and grant relevant approvals with respect to University finances including:
 - i. review and recommend the Annual Budget (including the Capital Plan and investment in strategy) to the Council;
 - ii. monitor the financial performance of the University (including the Capital Plan) and approve the quarterly financial statements; and
 - iii. monitor student load (including targets, progression and retention).
- b. to oversight capital development and projects (including commercial activities) of the University including:
 - i. monitor and make recommendations to the Council with respect to the University's policy on commercial activities;
 - ii. oversight the performance of the University's significant commercial activities including compliance with the policy on commercial activities;
 - iii. make recommendations to the Council in respect to the approval of significant commercial activities where there is a budgeted financial commitment by the University to the activity exceeding \$10 million over any 5 year period; and
 - iv. make recommendations to the Council in respect to the establishment or acquisition of a company, partnership or joint venture, including the approval of constituting documents of entities.
- c. to oversight and grant relevant approvals with respect to audit activities including:
 - i. provide relevant advice to Council on the appointment of the internal and external auditors;
 - ii. review the annual internal audit program (for recommendation to Council) and the reports of the internal auditor (as well as those of internal audit contractors), including implementation; and
 - iii. review the engagement of the external audit program and the reports of the external auditor, including implementation.
- d. to oversight and grant relevant approvals with respect to compliance activities including:
 - i. oversight the processes necessary to support a compliance framework in the context of best practice corporate governance as it relates to adherence to law, University policies, and accepted procedures;
 - ii. recommend to the Council the compliance policy for the University;
 - iii. receive and review reports on compliance (including whistle-blower activities) and make recommendations to management and/or the Council; and
 - iv. review any matter that the committee reasonably feels may impact on the risk or compliance profile of the University.
- e. to oversight and grant relevant approvals with respect to risk activities including:
 - i. review risk assessment within the University (including Academic Risk) and the internal control systems in place to underpin this assessment including the University Principal Risk document, risk management framework and policies, risk appetite, risk mitigation and reputation management, as well as associated documentation, and make recommendations to management and/or the Council; and

ii. receive the University Insurances Report, including Directors and Other Officers insurance policies.

(12) In exercising the functions under clause 11, the Committee may:

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

(13) The Committee has such other functions as may be necessary or convenient to enable it to exercise the functions specified in clause 11 and resources as are necessary to ensure it can undertake its functions in a timely and efficient manner.

9 Membership

(14) The Committee shall comprise at least 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 four years. Members may be re-appointed at the end of a term.

(15) Where practicable, members of the Committee must have relevant skills including finance, audit, commercial, reputation management, external risk management, project management or infrastructure management skills and experience commensurate with the functions of the Committee.

(16) The Council will appoint a member of the Council to act as chair of the Committee. To the extent practicable, the chair should be a person with skills and experience at a senior level relevant to the functions of the Committee.

(17) Notwithstanding clause 14, the Council may appoint up to two external persons to be members of the Committee. A person appointed under this clause may not be appointed to act as chair of the Committee under clause 16.

(18) Notwithstanding clauses 14 and 15, the following persons may not be members of the Finance, Audit and Risk Committee:

- a. Vice-Chancellor;
- b. Deputy Vice-Chancellor;
- c. Chief Financial Officer; or
- d. a member of the staff of the Division of Finance of the University.

10 Meetings

(19) The chair may approve for the whole, or any part, of a meeting of the Committee, the attendance of:

- a. Chancellor;
- b. Vice-Chancellor;
- c. Presiding Officer, Academic Senate;
- d. Chief Financial Officer;
- e. Internal Auditor;
- f. the external auditor; and
- g. an employee or contractor of the University or any external persons, for the purpose of providing advice or consultation to the Committee.

(20) The Committee shall meet at least four times per year, aligned to each financial quarter.

(21) The Committee may meet at other times in accordance with the [Governance \(Council Meetings\) Rule 2007 No. 2](#).

11 Consultation with the Internal and External Auditors

(22) 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.

(23) The chair and the external auditor should meet in-camera once per year, or as required, as scheduled by the Secretary in consultation with the chair.

(24) The chair and the Internal Auditor should meet in-camera once per year, or as required, as scheduled by the Secretary in consultation with the chair.

12 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 Chief Financial Officer;
- b. the Internal Auditor; and
- c. the external auditor.

Status and Details

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