3.6 Audit and Risk Committee

The Audit and Risk Committee advises Finance Committee and Council on the policy direction and effectiveness of both internal and external audit investigations and reviews, on the effectiveness and efficiency of internal control systems and on risk and processes relating to the governance of the management of risk.

I. Membership

1. Six members appointed by Council at least three of whom are members of Council. At least five of the six members must be external members. One co-opted additional member with appropriate skills. The Chairperson is appointed by Council from among the members of Council.

In making these appointments Council must ensure that at least one member is a member of the Finance Committee, and that any non-Council members are selected for their expertise in Audit and/or Risk Management.

2 One Co-opted member with appropriate skills.

3. The Vice-Chancellor, The Senior Vice-Principal, The Chief Financial Officer, The Chairperson of the Risk Management Committee, The Director Internal Audit, Victorian Auditor-General's Office, are invited to attend each meeting of the Committee. Other officers of the University may be invited to any meeting as the Committee determines. The Committee may ask any invitee to withdraw for particular items as the Committee determines at the time.

4. The Quorum for the Committee is three members.

II. Terms of Reference

1. The Audit and Risk Committee is to provide advice to the Finance Committee and Council on all matters pertaining to audit and without limiting that intention-

1.1 Internal Audit

1.1.1 receives and reviews the Internal Auditor's annual report on the activities undertaken in the previous year;

1.1.2 reviews both the summary of reports issued by the Internal Auditor and the detailed listing of outstanding audit reports for follow-up action where necessary;

1.1.3 provides a forum to resolve differences arising between Internal Audit and other University departments or related bodies.

1.2 External Audit (Annual financial audit)

1.2.1 receives a report from the Auditor-General's Office on the planned scope of the external audit for the forthcoming year;

1.2.2 reviews the audit plan and discusses the arrangements required to meet the time lines established in the plan;

1.2.3 monitors relationships between the Auditor-General and the various University departments and affiliated organisations to assist the timely completion of the external audit;

1.2.4 receives the final draft of the University's annual Financial Statements and reviews the significant accounting policies underlying the accounts and reports

whether the accounts fairly represent the financial position and the results of operations for the year;

1.2.5 reviews the Management Report and the Report to Parliament of the Auditor-General together with the draft University response.

1.3 External Audit (Other audits)

1.3.1 receives reports of financial audits, management audits and reviews undertaken and in prospect, whether undertaken by the Auditor-General or initiated by the University.

1.4 Governance and Risk Management

1.4.1 advises Finance Committee and Council on appropriate governance and risk management structures and processes;

1.4.2 monitors the effectiveness of risk management structures and processes through receipt of reports of the activities of the Risk Management Committee;

1.4.3 receives reports from the Risk Management Committee on the University's strategic risk assessment.

1.5 Other Matters

1.5.1 reviews, from time to time, the functioning of systems of internal control;

1.5.2 monitors the probity of contracting and tendering processes including those related to capital works;

1.5.3 advises Council on appropriate contracting and tendering processes; and

1.5.4 refers directly to the appropriate University executive officers matters requiring attention which it considers to be outside its terms of reference.

2. The Internal Auditor acts as Executive Officer of the Committee and is required to meet with the Chairperson at least once in each calendar year to discuss the internal audit operations of the University. The External and Internal Auditors have telephone access to the Chairperson on a needs basis.

3. The Committee meets quarterly and on other occasions as the Chairperson considers necessary. It reports to Council on all matters reviewed by it, normally through the Finance Committee.

III. Delegations

1. The Committee has a delegation from Council to approve the annual audit plan of the Internal Audit Department developed from the Strategic Audit Program;

2. The Committee may commission audits of any kind, whether to be conducted by the Internal Audit Department or otherwise.