



## BOARD OF TRUSTEES AUDIT AND RISK COMMITTEE CHARTER

---

Approved by the Board of Trustees 9 August 2017

### 1. Introduction

- 1.1. The Audit and Risk Committee is a committee of the Board of Trustees of Western Sydney University.

### 2. Appointment and composition

- 2.1. Members of the Committee are appointed by the Board of Trustees.
- 2.2. The Committee must have a minimum of four and a maximum of six members, at least one of whom must be a current external member of the Board of Trustees.
- 2.3. The Board is to appoint one of the external Board members of the Committee to act as chair of that Committee.
- 2.4. All Committee members are to be persons who are external to the University and have appropriate business or public sector qualifications or experience, including financial, risk assessment or audit skills and an understanding of the higher education sector.
- 2.5. The University's *Gender Equality Procedures and Guidelines* apply with respect to achieving gender balance on the Committee.
- 2.6. Subject to clause 2.9, the term of office of all appointed members is two years.
- 2.7. Members are eligible for re-appointment for up to two additional consecutive terms, excluding any term of appointment to fill a casual vacancy.
- 2.8. A person ceases to be a member of the Committee if that person:
- (a) resigns;
  - (b) becomes an employee of the University; or
  - (c) is removed for any reasons by resolution of the Board.
- 2.9. If a casual vacancy occurs, the Board is to appoint another person to fill that casual vacancy, which may be for the balance of the previous member's term or for a new term of two years.

### 3. Role of Committee

- 3.1. The role of the Committee is to assist the Board with the effective discharge of its responsibilities in relation to:
- (a) identification and control of significant risks to the University and its controlled entities;
  - (b) ensuring the University has in place effective systems of control and management with respect to legal compliance, risk management, insurance,



including an effective internal audit function.

#### **4. Responsibilities and functions**

4.1. The Committee is responsible for satisfying itself that the University and its controlled entities have in place and maintain:

- (a) effective systems of accounting and internal control to manage financial and other risks, taking into account risk appetite and capacity;
- (b) an effective policy framework and processes that promote legal compliance and enable risks to be effectively assessed and monitored;

4.2. The Committee also:

- (a) approves the University's annual internal audit plan and ensures that it is adequate, placing emphasis on areas where special emphasis is necessary;
- (b) reviews and assesses the findings of any internal or external audits and action proposed and taken by management in response to those findings; and
- (c) informs the Board about any matters that might have a significant impact on the University's exposure to risk.

4.3. The Committee does not exercise any executive power, delegated authority or supervisory function in relation to the operations of the University and its controlled entities. Its role is to oversee and monitor.

4.4. The Committee also performs or undertakes any other functions delegated to it by the Board of Trustees from time to time.

#### **5. Specific terms of reference**

5.1. In fulfilling its broad responsibilities, the Committee has the following functions:

##### ***Internal audit and risk management***

- (a) To oversee the implementation and maintenance of effective risk assessment and risk management processes for the University and its controlled entities and for major projects.
- (b) To oversee the implementation and maintenance of systems and procedures to assist in the identification and prevention of fraud.
- (c) To monitor the implementation and maintenance of a legal compliance framework.
- (d) To monitor the effectiveness and performance of the University's work health and safety framework.
- (e) To assist the University in maintaining an effective and independent internal audit capacity.
- (f) To monitor the University's and its controlled entities' financial and accounting controls and reporting frameworks to ensure they are comprehensive and effective and in compliance with recognised standards.



- (g) To monitor the University's and its controlled entities' application of and compliance with statutory and other government or University policies and requirements;
- (h) To advise on and approve the University's annual Audit and Risk Assessment Plan.
- (i) To monitor the implementation of the Audit and Risk Assessment Plan and the annual budget, and the University's management response to issues raised by the Audit and Risk Assessment Unit.
- (j) To advise on the scope and conduct of special reviews or audits that are originated by the Vice-Chancellor.
- (k) To monitor the University's management response to the findings of any special reviews or audits.

#### ***External audit***

- (l) To liaise with the external auditors for discussion of the scope and timing of the annual audit and proposed audit fee.
- (m) In conjunction with the Finance and Investment Committee, to review the annual financial statements for the University (including the entities) and meet with the external auditor. The Committee will then recommend the approval or otherwise to the Board of Trustees.
- (n) To monitor the University's and the entities' responses to any issues raised in the Auditor's management letters.

#### ***Quality Assurance and Improvement***

- (o) To review and advise on the University's process for assessing and improving the effectiveness of its audit and risk assessment functions.

#### ***Ethics and Organisational Climate***

- (p) To monitor the University's development of an organisational climate that demands, values and supports high standards of probity and ethical behaviour.

#### ***Reporting to Board of Trustees***

- (q) To report to the Board of Trustees on a regular basis and as needed.
- (r) To advise the Board of Trustees on any matters of concern relating to audit and risk management within the University and its controlled entities.
- (s) To provide the Board of Trustees with an annual report on the activities and operations of the Committee and the achievements against its Charter and the annual Audit and Risk Assessment Plan.

## **6. Powers and authority**

### **6.1. The Committee has power to:**

- (a) obtain documents and any information it requires from any employee of the University or its controlled entities;



- (b) discuss any matters with external auditors of the University and its controlled entities;
- (c) obtain independent legal or other professional advice it considers necessary.

## **7. Meetings and procedures**

- 7.1. The Committee will meet at least four times a year. Additional meetings may be held as required. The Chair is required to convene a meeting if requested to do so by another Committee member or by the Board of Trustees.
- 7.2. The quorum will be as specified generally by the Board of Trustees for its committees in the Board's *Standing Orders*.
- 7.3. Meetings of the Committee shall be conducted in accordance with the procedures set out in the Board's *Standing Orders*. Meetings of the Committee shall be attended by:
  - (a) the Vice-Chancellor and President;
  - (b) the Vice-President (Finance and Resources) or that person's representative;
  - (c) the Vice-President (People and Advancement) or that person's representative;
  - (d) the Director, Audit Risk and Assessment;
  - (e) any other staff member the Committee or the Vice-Chancellor considers appropriate to enable direct discussion of issues related to the Committee's role.

## **8. Conflicts of interest**

- 8.1. Committee members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. Details of any conflicts of interest should be appropriately minuted.
- 8.2. Where members or observers at Audit and Risk Committee meetings are deemed to have a real, or perceived, conflict of interest it may be appropriate that they are excused from Committee deliberations on the issue where a conflict of interest exists.

## **9. Performance reviews**

- 9.1. The Chair of the Committee, in consultation with the Vice-Chancellor will initiate a review of the performance of the Committee at least once every two years. The review will be conducted on a self-assessment basis, as well as in consultation with the internal and external auditors, management and any other relevant stakeholders, as determined by the Chair.

## **10. Review of Charter**

- 10.1. The Committee will review this Charter at two yearly intervals to ensure it remains relevant and effective and will advise the Board of Trustees on any recommended changes.