



Charles Sturt University

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

A Rule 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.



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

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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

This Rule commences on 24 February 2006 [CNL06/04].

3 Purpose

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

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.

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 Definitions

In this Rule:

Act means the *Charles Sturt University Act 1989*.

By-law means the *Charles Sturt University By-law 2005*.

Committee means the Audit and Risk Committee established under this Rule in accordance with clause 4 of Schedule 1 of the Act.

Council means the University Council established under section 9 of the Act.

external person has the same meaning as set out in section 9 (10) of the Act.

Notes

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

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

6 Notes and Headings

- (1) The notes in the text of this Rule do not form part of this Rule.
- (2) Headings do not form part of this Rule.

Division 2 Committee

7 Establishment of Committee

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

8 Terms of Reference

- (1) The principal functions of the Committee are to:
 - (a) oversight risk assessment within 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, University policies, and accepted procedures,
 - (c) promote an ethical culture throughout 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 University and make recommendations to the Council with respect to their approval,
 - (l) recommend to the Council the compliance policy for 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 University.
- (2) In exercising its functions under sub-clause (1), the Committee may:
- (a) require the attendance of any employee or contractor 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.
- (3) The Committee shall have such:
- (a) other functions as may be necessary to enable it to exercise the functions specified in sub-clause (1) and (2), and
 - (b) resources as are necessary to ensure it can undertake its functions in a timely and efficient manner.

9 Membership

- (1) The Committee will be constituted by three external persons who are members of the Council.
- (2) The Committee may, with the consent of the Chancellor, appoint up to two additional external persons to the Committee who are not members of the Council.

- (3) Notwithstanding sub-clause (1), a member of the Executive Committee or Resource and Investment Committee of the Council may not be a member of the Committee.
- (4) The Council will elect a member of the Council to be chair of the committee.
- (5) 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

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

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

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

- (2) Without derogating from the authority of the chair under sub-clause (1), 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

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

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

13 Distribution of agenda and official minutes

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

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.

Historical notes

Table of amendments

Amendment	Date	Short Description
cl. 8 (1)		Insert additional functions relating to oversight of compliance
cl. 9(2)		Amend provision to allow Committee, with consent of the Chancellor, to appoint additional external persons to the Committee.
cl. 9(3)		Amend provision to extend restriction on membership to Resource and Investment Committee members
cl. 9(4)		Amend clause in light of introduction of the Governance (Conduct of Meetings) Rule 2007 regarding election of chairs
cl. 9 (5)		Amend provisions to include legal qualification