

AUDIT, RISK AND FINANCE COMMITTEE TERMS OF REFERENCE



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1 ESTABLISHMENT

The Audit, Risk and Finance Committee is a sub-committee of the Council of Central Queensland University, and will provide reports, recommendations and/or advice to Council.

2 FUNCTIONS AND RESPONSIBILITIES

This Committee is responsible for the oversight of the University's finances, risk management, internal and external audit, health and safety, and corporate governance, and is responsible for other matters as determined by this Committee and by Council.

Collectively, this Committee will seek to possess a high level understanding of finance and accounting, best practice internal control, risk management and corporate governance.

This Committee's functions and responsibilities are to:

Finances

- 2.1 Assist Council in the effective discharge of its responsibilities as prescribed in the [Financial Accountability Act 2009](#) (Qld) and the [Financial and Performance Management Standard 2019](#) (Qld).
- 2.2 Review and recommend to Council the University's annual budget and any budget revisions.
- 2.3 Review and recommend to Council the annual review of amounts available, or expected to be available, to the University by way of bequest, donation or special grant, and the spending of the amounts.
- 2.4 Review and approve credit management policy documents including debtors, and debt write-offs.
- 2.5 Review and recommend to Council the monthly financial management reports of the University, including the most appropriate financial metrics and reporting mechanisms this report should include to enable effective oversight of the University's finances.
- 2.6 Review the draft annual Consolidated Financial Statements of the University and its controlled entities, and the Council Members' Report. Review the compliance declaration by the Vice-President (Student and Corporate Services) and seek assurances regarding the Management Certificate and Management Representation Letter. Recommend Council approve the draft annual Consolidated Financial Statements of the University and its controlled entities and approve the signing of the Council Members' Report, Management Certificate, and Management Representation Letter.
- 2.7 Review the quarterly financial statements and investment reports of the University.
- 2.8 Review and recommend to Council annually the University's investment strategy and approved counterparty limits.
- 2.9 Review the annual report on the expenditure of Student Services and Amenities Fees.
- 2.10 Review the accounting treatment of significant or unusual transactions.
- 2.11 Review the implementation of relevant Australian Accounting Standards and the impact of changes in, and compliance with, the requirements of Australian Accounting Standards and any other relevant regulatory or policy pronouncements.
- 2.12 Note asset valuation reports.

Risk management

- 2.13 Review and recommend to Council the University's systems to manage risk, the regular review of the University's major risks, and the annual risk management report.
- 2.14 Review the adequacy of the University's insurance program.

Internal audit

- 2.15 Review Internal Audit reports and recommend to Council the summaries of those audits. Monitor the implementation of audit recommendations.
- 2.16 Review and recommend to Council annually the [Internal Audit Charter](#) and the Internal Audit annual report. Satisfy itself that the internal audit function has complied with the professional standards issued by the Institute of Internal Auditors – Australia.
- 2.17 Review and recommend to Council the annual Internal Audit strategy and work plan, ensuring these adequately address the key risks of the University.
- 2.18 Monitor progress against the Internal Audit annual work plan during and at the end of the year.

- 2.19 Review the level of coordination between the internal audit function and external audit function for appropriateness and the minimising of any duplication of effort.
- 2.20 Meet with the head of Internal Audit independently of management to ensure that the legitimate work of Internal Audit is not being impeded in any way. Confirm and assure the independence of the internal audit function.

External audit

- 2.21 Consult with the External Auditor to gain a broad understanding of the scope of the audit and the extent of their reliance on work undertaken by the internal audit function.
- 2.22 Review the audit engagement letters, plans and fee proposals.
- 2.23 Meet with the External Auditor, in the absence of management, to ensure that the Auditor has had unfettered access to necessary records and that the Auditor has received full cooperation from University employees. Confirm and assure the independence of the external audit function.
- 2.24 Discuss with the External Auditor any matter which might prevent the issuing of an unqualified audit opinion on the annual financial statements.
- 2.25 Consider external audit reports and management letters and the management action proposed. Monitor the implementation of audit recommendations.

Health and safety

- 2.26 Review and recommend to Council the University's performance in meeting its health and safety obligations.

Corporate governance

- 2.27 Maintain oversight of the University's controlled and non-controlled entities. Review and recommend to Council University-controlled entities' annual reports and financial statements. Note University-controlled entities' annual budgets.
- 2.28 Oversee and advise Council on the University's material shareholdings.
- 2.29 Review policy documents relating to this Committee's Terms of Reference and either recommend to Council or approve in accordance with the reserved and delegated authorities listed in Sections 3 and 4.
- 2.30 Oversee the University's discharge of the responsibilities of due care and diligence in delivering outputs efficiently, effectively and economically to achieve best value for money.
- 2.31 Monitor the University's corporate culture in relation to ethical conduct and probity in all its dealings.
- 2.32 Assess the adequacy of the University's system to monitor compliance with all relevant legislation.
- 2.33 Review reports on the status of the University's legislative compliance and treatment plans in place, and recommend the annual certification of compliance obligations to Council.
- 2.34 Consider issues in relation to proposed legislative amendments.
- 2.35 Note reports provided in accordance with policy documents relevant to this Committee's functions and responsibilities.
- 2.36 Assess the adequacy of the University's contingency plans.
- 2.37 Make recommendations on areas requiring increased levels of control.

3 RESERVED AUTHORITIES

The Council reserves the authority to approve policy documents relating to occupational health and safety, insurance, business continuity, risk appetite, risk management, controlled and non-controlled entities, fraud prevention, investments, conflict of interest, public interest disclosure, complaints about the Vice-Chancellor and President, internal audit charter, compliance management, delegations of authority, and the use of the University seal.

4 DELEGATED AUTHORITIES

The Council has delegated to this Committee the authority to:

- undertake an annual review of spending of bequest, donation or special grant monies
- note annual budgets for controlled entities, and
- approve policy documents that pertain to the Committee's functions and responsibilities, apart from matters reserved for Council approval above.

5 REFERRAL OF MATTERS

This Committee may refer any item to the Council for discussion, consideration and/or action, and may refer relevant matters for action or noting to other Committees or officers as appropriate. When referring matters to other committees the process followed must be as advised by the University Secretary.

6 SUB-COMMITTEES

This Committee may establish standing or ad hoc sub-committees and approve their terms of reference, which must be constructed to ensure consistency and coordination between the functions of all sub-committees. The terms of reference of any sub-committee which has a role in the University's governance processes must be approved by the Council. This Committee may co-opt employees to serve on its sub-committees and/or working parties.

This Committee will receive reports from its sub-committees and be responsible for monitoring and evaluating each sub-committee's activities against their functions and responsibilities.

7 MEMBERSHIP AND TERMS OF OFFICE

This Committee shall comprise:

Ex-officio members:

- Chancellor

Appointed members:

- At least three members of the Council, appointed by Council
- Up to two external members, appointed by Council

All members are expected to represent and maintain effective communications between their business area and this Committee, as appropriate.

New members will, on their appointment, receive relevant induction information and briefings to assist them to meet their committee responsibilities.

Terms of office

Ex-officio members will serve for the duration of their appointment. Ex-officio members may send a nominee when unable to attend a meeting or nominate a standing nominee with the Chair's approval.

Appointed members of Council will serve for a term or terms determined by Council, with each term not exceeding four years.

Appointed external members will serve for a term not exceeding two years. Appointed external members would normally serve for a maximum of two terms of office. Any additional terms must be approved by Council.

8 RIGHTS OF AUDIENCE AND DEBATE

The Committee may extend rights of audience and debate on a standing or ad hoc basis. Attendees with rights of audience and debate may participate in meetings, but have no voting rights.

Those holding the following or equivalent positions will have standing rights of audience and debate at meetings:

- Vice-Chancellor and President
- Chief Operating Officer
- Vice-Presidents
- University Secretary
- Director Office of the Vice-Chancellor and President
- Director People and Culture
- representatives of the External and Internal Audit functions.

Employees and external stakeholders may request the opportunity to address the Committee at any time. The Chair will consider and determine these requests.

9 OBSERVERS

Observers are welcome with the Chair's prior permission and provided they advise the Secretary in advance. Observers will be advised of the confidentiality of the agenda and meeting, and the importance of maintaining confidence as appropriate.

Observers are entitled to see and hear the proceedings of the meeting but have no voting rights and no right to speak at meetings, unless invited to do so by the Chair. Observers must leave the meeting when requested by the Chair, or if any matters are to be considered in closed session.

10 CHAIR

The Council will designate one of the members to Chair the Committee.

The Chair will serve for a term or terms of office as determined by Council, with each term not exceeding four years.

The Chair will nominate an alternate Chair if the Chair is unable to attend a scheduled meeting.

11 SECRETARY

The Director Governance will nominate the Secretary.

12 CASUAL VACANCIES

A casual vacancy for appointed members will be filled in accordance with the original requirements.

13 RESIGNATION FROM COMMITTEE

If a member seeks to resign from this Committee they must give written notice where possible, unless their circumstances have changed in a way that makes it appropriate for them to resign with immediate effect.

14 REMOVAL OF A MEMBER FROM OFFICE

This Committee may terminate a person's membership for misconduct by a vote of two-thirds of those present at a committee meeting called in accordance with these terms of reference, and for which due notice of the motion to terminate the person's membership has been given.

Where a member or their nominee does not attend three consecutive meetings without adequate cause, that person's membership may be terminated. A person whose membership has been terminated may apply to the Committee to have their membership reinstated.

15 QUORUM

The quorum for a committee meeting shall be 50 per cent of the membership, plus one.

Where a loss of quorum is identified, the meeting may be adjourned until a time the Chair determines. Any matters for decision considered when the meeting is inquorate must be subsequently ratified by the Committee by flying minute or at the next Committee meeting before those decisions can be actioned.

16 CONFIDENTIALITY

Information acquired during a member's term of office is confidential to the University and must not be disclosed either during the member's term or after termination, except as permitted by law and with prior approval from the Chair.

Employees attending or observing a meeting must maintain the confidentiality of the meetings, except to the extent required to effect the implementation of any Committee decision. The confidentiality requirements of all other observers are addressed in section 9.

17 CONFLICT OF INTEREST

Members must declare to the Chair any real, perceived or potential conflict of interest they may have with any item on the agenda.

If the Chair or Committee deems a member to have a conflict of interest in a matter before this Committee, the member may be excused from committee discussions and deliberations on that matter or may be asked to leave the meeting when the committee considers that matter.

Further details on identifying and dealing with a conflict of interest are provided in the [Conflict of Interest Policy and Procedure](#).

18 MEETINGS

Committee meetings may be held face-to face, by telephone, videoconference, or other electronic means. This Committee will meet as scheduled.

Committee decisions may be made at a duly called and constituted meeting, or by a resolution in writing (flying minute) to all members and physically or electronically signed by at least a quorum of members.

Committee members are required to fully prepare for each meeting, read the documentation in advance, and make every reasonable effort to attend each meeting.

19 ACCESS TO RESOURCES

External Committee members will be provided with access to the Committee's website and any other resources they reasonably require to fulfil their duties as a committee member.

20 AGENDAS AND MINUTES

Agenda papers will be distributed at least three working days before the meeting, via the Committee Page on StaffNet. Members will be notified by email of the location and availability of material. Members are encouraged to view the agenda electronically during the meeting.

Only with the Chair's permission will late papers or the tabling of papers be accepted. All papers must be submitted to the Secretary by the specified submission deadline.

Committee records are subject to the Queensland [Public Records Act 2002](#) and must be retained by the Secretary in accordance with the University's [Records Management Policy and Procedure](#).

Minutes will be prepared from each meeting. The Chair will review the draft minutes and action sheet of each meeting, after which the Secretary will circulate the documents to all committee members and include them in the agenda papers for the next meeting.

21 EVALUATION AND REVIEW

To ensure the Committee is fulfilling its duties, it will undertake an annual self-assessment of its performance against these terms of reference utilising the [Queensland Audit Office – Audit Committee Guidelines: Improving Accountability and Performance](#) and provide that information to Council, along with any information the Council requests to facilitate its review of the Committee's performance and its membership.

22 RELATED LEGISLATION AND DOCUMENTS

[Financial Accountability Act 2009](#) (Qld)

[Financial Accountability Regulation 2019](#) (Qld)

[Financial and Performance Management Standard 2019](#) (Qld)

23 FEEDBACK

Feedback about this document can be emailed to policy@cqu.edu.au.

24 APPROVAL AND REVIEW DETAILS

Approval and Review	Details
Approval Authority	Council
Delegated Approval Authority	N/A
Advisory Committee	Audit, Risk and Finance Committee
Required Consultation	N/A
Administrator	University Secretary
Next Review Date	08/12/2024

Approval and Amendment History	Details
Original Approval Authority and Date	Council 28/02/2005
Amendment Authority and Date	Council 04/03/2008; Council 24/11/2008; Council 17/09/2009; Council 26/07/2010; Council 01/05/2012; Council 29/04/2015; Council 21/10/2015; Council 17/02/2017; Vice-Chancellor and President 11/09/2017; Council 25/10/2017; University Secretary 16/01/2018; Council 29/10/2019; Editorial amendment 02/09/2020; Editorial amendment 04/03/2021; Council 08/12/2021; Council 29/06/2022; Editorial amendment 04/01/2023.
Notes	Prior to 17/02/2017 the Committee was known as the Audit, Compliance and Risk Committee, and had different functions and responsibilities.