University of Queensland Risk and Audit Committee Terms of Reference

Establishment of Risk and Audit Committee
1. The University’s Senate is the governing authority of the University established under the University of Queensland Act 1998. The Act permits Senate to delegate its powers under the Act to an appropriately qualified Committee that includes one or more Members of Senate.

2. Senate has established a Risk and Audit Committee as a Committee of Senate.

Role of the Committee
3. The Committee assists the Senate in discharging its risk management and internal compliance and control oversight responsibilities under the University of Queensland Act 1998 and as prescribed in the Financial Accountability Act 2009, the Financial and Performance Management Standard 2009, and the Financial Accountability Regulation 2009 and other relevant legislation and requirements. The establishment of this Committee does not relieve Senate of its responsibility for these matters.

4. The role of the Committee is to exercise oversight of the University’s governance, risk and compliance frameworks including; policies, procedures, information systems and systems of internal control surrounding key financial and operational processes\(^1\). The Committee also provides oversight of the leadership and direction in terms of organisational culture and ethical behaviour.

Responsibilities of the Committee
5. Risk Management
   5.1 Review the tone and risk culture for the University, promote robust discussion around risk appetite and tolerance for risk.

   5.2 Receive reports on management’s identification, and assessment of risks to UQ, including academic and non-academic risks, and the effectiveness of controls and processes to appropriately manage these risks.

   5.3 Advise Senate on significant issues and changes to the University’s risk profile.

   5.4 Receive advice upon the effectiveness of the Enterprise Risk Management Framework on an annual basis, the level of compliance and risks which are not being adequately managed.

6. Occupational Health and Safety
   6.1 Receive advice on the implementation of the University's occupational health and safety policy and management system, including the safety culture and promotion of safe work practices at the University.

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\(^1\) The Committee does not have responsibility for oversight of tax, or the review of commercial credit. These are within the scope of the Finance Committee.
6.2 Receive information on occupational health and safety activities, trends and emerging safety risks or contentious issues.

7. Compliance
7.1 Receive and review reports and assurances on the University’s framework and processes to demonstrate compliance with its legal and regulatory obligations including any material breaches and/or regulatory actions against the University.

8. Internal Audit
8.1 Approve the Internal Audit Charter.

8.2 Approve the Annual Internal Audit Plan and Program of Work and any material changes to these.

8.3 Receive communications from the Associate Director, Internal Audit, on the results of internal audit activities or other matters that the Associate Director Internal Audit determines are necessary.

8.4 Approve, with input and recommendations from senior management, the appointment, performance evaluation and removal of the Associate Director, Internal Audit.

8.5 Approve, with input and recommendations from senior management, the annual compensation and salary adjustment of the Associate Director, Internal Audit.

8.6 Make appropriate inquiries of management and the Associate Director, Internal Audit to determine whether there is audit scope or budgetary limitations that impede the ability of internal audit activity to execute its responsibilities.

9. External Audit
9.1 To consider the annual audited financial statements of the University and recommend to Senate their adoption.

9.2 Review the external audit plans and results of external audits with management and internal audit and report to Senate as appropriate.

9.3 Monitor the effectiveness of the working relationship between the external auditor and management, and in particular, the relationship between external audit and internal audit and risk management and compliance functions across the University.

9.4 Review the performance and independence of the external auditors and obtain the appropriate certification in relation to this.

9.5 To appoint auditors for the purposes of auditing the University’s financial statements prepared under United States Generally Accepted Accounting Principles (USGAAP).

10. Investigations
10.1 Receive reports on the investigative functions of the University as appropriate and advise Senate on significant investigations, recommendations and management actions to address any deficiencies.
10.2 Receive information on trends, analysis of systemic issues and capacity building programs undertaking by the investigative functions.

11. Advise Senate on other matters raised by Senate, the Chancellor or the Vice-Chancellor.

**Power of the Committee**

12. Senate delegates the following approval authorities to the Committee:
   
   (a) Approval of internal audit charter;
   
   (b) Approval of annual internal audit plan;
   
   (c) Consideration of contents and action plans from internal audit reports;
   
   (d) Monitoring of risks and mitigating strategies;
   
   (e) Appointment of auditors for the purposes of auditing the University’s annual financial statements including those prepared under United States Generally Accepted Accounting Principles (USGAAP).

13. The committee will advise Senate of the exercise of the aforementioned delegations at least annually.

14. The Committee has the power to:
   
   (a) Engage independent external consultants as necessary for meeting its obligations in relation to its purpose, subject to provision in the budget for the proposed expenditure and approval by Senate;
   
   (b) Conduct enquiries appropriate to fulfilling its responsibilities and is free to access University Information, records and personnel for such purpose;
   
   (c) Meet with staff from Enterprise Risk, Occupational Health and Safety, Internal Audit, Compliance or Investigations functions, or any members of VC RCC, without other management personnel present. Such meetings may address, amongst other things, whether staff have received co-operation from management and whether there have been any impediments to carrying out their respective duties.

**Structure and Composition of the Committee**

15. Senate appoints a Member of Senate to chair the Committee.

16. Senate determines the membership of the Committee Members.

17. Membership composition
   
   At least 5 Members of Senate.
   
   The Chancellor may attend all meetings in an ex-officio capacity.

   In attendance:
   
   Vice-Chancellor
   
   Provost
   
   Chief Operating Officer
   
   Chief Financial Officer
   
   Director, Governance and Risk
   
   Associate Director, Internal Audit

Ver 1.3 – 26 February 2018
18. Expertise required of members
Members of the Committee should possess a range of skills relevant to its function, including a professional background in accounting, audit, and/or risk management as well as experience of Universities. Excessive reliance should not be placed on the skills of one member.

19. Term of appointment
The term of appointment of a Member is up to four years and may be renewed. Appointment terms should be staggered to ensure continuity of membership.

20. Responsibilities of Members
20.1 Under the Conflict of Interest Policy, Members need to ensure that any conflict of interest issue is avoided, resolved or appropriately managed in accordance with this Policy.

20.2 Members are required to comply with the University’s Code of Conduct, particularly the confidentiality requirements.

Operation of the Committee
21. The Committee will normally meet 4 times a year.

22. The format of the agenda and minutes should be consistent with those produced for Senate meetings.

23. The agenda papers should be distributed at least a week before the meeting.

24. Members of the Committee may participate in the meeting by way of teleconference/video facilities.

25. The quorum for the Committee is a majority of Committee Members.

26. The Terms of Reference of the Committee and the functioning of the Committee should be subject to regular review by Senate, including self-assessment by the Committee every two years, to ensure that it is operating effectively and fulfilling its functions.

Reports to Senate
27. The Committee reports to Senate on the business conducted by it following each meeting.

28. The Committee will report to Senate annually on:
   (a) the Committee's operations for the year;
   (b) the effectiveness of the risk, compliance, Occupational Health and Safety, Internal Audit and Investigations functions at the University;
   (c) any significant trends and emerging issues in significant risk exposures, ethical issues and compliance concerns impacting the University.

Ver 1.3 – 26 February 2018
29. The Committee will report to Senate the results of its reviews of the annual financial statements including its discussions with management and the external auditor and its reviews of external audit reports and audit opinions on the annual financial statements and their audit reports.