

Audit and Risk Committee

Terms of Reference



THE UNIVERSITY OF
MELBOURNE

A committee of Council established in accordance with section 18(1)(b) of the University of Melbourne Act 2009 (Vic) and section 33 of the Standing Resolutions of Council

Approved by Council 21 June 2023

1. PREAMBLE

The Audit and Risk Committee of Council oversees the University's external and internal audit programs, recommends the annual financial statements to the Finance Committee (for their recommendation for approval to Council) and monitors the University's response to internal audits and the annual external audit.

The Audit and Risk Committee supports Council in overseeing and monitoring the assessment and management of risk across the University, including university commercial activities. The Committee reviews the Risk Management Framework and practice and receives regular reports on significant strategic and operational risks and their management to an acceptable level. The Committee advises Council, and other committees as appropriate, on the Risk Management Framework and practice improvements and progress as well as significant risks arising from their review. The Committee recommends the Risk Management Framework, Risk Management Policy, University Risk Register and Risk Appetite Statement updates to Council for approval.

2. MEMBERSHIP

Members	
Four members of Council, at least two of whom are external and one of whom is the Chair, as appointed by Council.	Nadia Carlin (Chair) Wendy Stops Mark Leibler AC Dr Helen Szoke AO
Up to an additional five persons, with audit and risk management expertise, appointed by Council and external to Council, for a term of three years. A person so appointed will be eligible for re-appointment, for up to a total of 12 years.	Jenny Johanson Kylie Maher Penelope Walter
The President of the Academic Board	Professor Karen Farquharson
In Attendance	
Chancellor	Chancellor Jane Hansen AO
The Vice-Chancellor (or nominee)	Professor Nicola Phillips (nominee)
Chief Financial Officer	Katerina Kapobassiss
Director, Financial Accounting and Budgeting	John Demagistris
Director, Risk and Assurance	Tristram Smith
General Counsel and Executive Director, Legal and Risk	Julie Freeman
Chair, Risk Management and Compliance Committee	Professor Ian Harper AO

Chief Operating Officer (as required)	Paul Axup
Representative(s) from the Victorian Auditor-General's Office (VAGO), and its agents, and from Deloitte are invited to attend meetings of the Committee, as required.	Charlotte Jeffries (VAGO) Chris Venn (VAGO) Paul Gower (EY) Wlad Leyva (EY) Matthew Fraser (Deloitte)
Other officers of the University may be invited to any meeting as the Committee determines.	

The quorum for the Committee is three members, at least two of who must be members of Council.

3. TERMS OF REFERENCE

The functions of the Audit and Risk Committee of Council are:

Statutory Reporting and External Auditor

- 3.1 Review the scope and monitor the conduct of the annual external audit undertaken by or on behalf of the Auditor-General, including:
 - a. assessing whether the auditor satisfies the audit independence requirements as set out in regulations;
 - b. maintain oversight of all audit and non-audit services;
 - c. reviewing the auditor's proposed scope and approach to ensure no unjustified restrictions have been placed on the scope.
- 3.2 Review the annual Financial Statements and statutory Annual Report, including:
 - a. any significant accounting and financial reporting issues identified by management or the external auditor;
 - b. whether, having regard to relevant accounting policies and practices, the accounts fairly represent the financial position and the results of operations for the year; and
 - c. where satisfied, recommend them for approval by the Finance Committee and then to Council.
- 3.3 Monitor the Auditor-General's Management Report and Report to Parliament on the annual audit and the University's response to those Reports.
- 3.4 Monitor the effectiveness of the working relationship between the external auditor and management.
- 3.5 Monitor the adequacy and effectiveness of the University's financial internal controls and integrity of the financial system through receipt of reports from the internal and external auditors, including fraud controls and investigations.
- 3.6 Monitor the application by the University of accounting and tax policies and standards and review any changes to, or changes in application of, those policies and standards.
- 3.7 Monitor other audits of the University undertaken by the Auditor-General or other relevant bodies and the University's response to them.

Risk Management

- 3.8 Review and advise on assessment and management of risk across the University. In particular:
 - a. review and provide advice on the development and operation of the University's Risk Management Framework and associated practices including effectiveness;
 - b. review regular updates on University risk assessments and the effectiveness of controls and management to an acceptable level; with a particular focus on areas of significant risk;

- c. provide advice to management and Council on any actual or potential risks that require more active management and actions;
 - d. review regular reports received from the Risk Management and Compliance Committee (RMCC) and report to Council or other Council committees on any matters that require their consideration;
 - e. through the receipt of regular reports on Occupational Health and Safety, review the efficacy of actions in place or proposed mitigation strategies to address risks in this area; and
 - f. for controlled entities of the University, review reports on significant risks, controls and management actions and progress.
- 3.9 Recommend to Council for approval annually (or when required) the Risk Appetite Statement, Risk Management Framework, University Risk Register, Risk Management Attestation and every three years, the Risk Management Policy.

Internal Audit

- 3.10 Review and recommend for approval the annual and strategic internal audit plan, including resourcing, and receive periodic reports on its implementation.
- 3.11 Review reports issued by Internal Audit, significant internal audit findings and recommendations, together with management's responses and action taken.
- 3.12 Review the Internal Audit Charter every three years.
- 3.13 Ensure that no management restrictions are being placed on Internal Audit.
- 3.14 External review of the performance of Internal Audit every five years.

Compliance

- 3.15 Review and monitor that the University is compliant with relevant laws, regulations and internal policies, including Standing Directions 2018 from the Minister for Finance under the *Financial Management Act 1994*.
- 3.16 Receive any non-compliance reports.
- 3.17 Review the effectiveness of the system for monitoring and implementing compliance with laws, regulations and internal policies and the results of the compliance manager's investigations and follow-up any non-compliance incidents.

4. FREQUENCY OF MEETINGS

At least five times a year or as required.

5. REPORTING TO COUNCIL

Audit and Risk Committee reports to Council.

The Chair will provide a written report to Council on the outcomes of matters considered by the Committee. The report will be considered at the first meeting of Council held after the Committee meeting.