



**AUDIT AND RISK MANAGEMENT
COMMITTEE CHARTER**

1 THE CHARTER

- 1.1 A committee of Council will be known as the Audit and Risk Management Committee. This charter establishes the responsibilities of the Audit and Risk Management Committee within the governance system of the University of South Australia.

2 PRIMARY FUNCTION

- 2.1 The primary function of the Audit and Risk Management Committee is to assist the Council in exercising due care, diligence and skill in discharging its oversight and monitoring responsibilities.

3 COMMITTEE

- 3.1 The Audit and Risk Management Committee shall consist of the following members:
- 3.1.1 Three external members of Council, one of which shall be appointed by Council as Chair;
- 3.1.2 A non-executive member of the academic staff with appropriate expertise, appointed by Council;
- 3.1.3 The Committee may co-opt a community member with relevant expertise to reinforce the Committee's skills profile.
- 3.2 The Vice Chancellor, the Chief Operating Officer and the Director: Assurance Services will have "In Attendance" status at Committee meetings. The Chancellery will provide secretarial support as required to the Committee.
- 3.3 The Chancellor, while not a member of the Committee, will have the right to attend all Audit and Risk Management Committee meetings as an observer.
- 3.4 A Senior Auditor of the Auditor-General's Department responsible for audit of the University will be invited to be an observer to the meetings of the Committee.
- 3.5 The Committee may invite members of management or others to attend the meetings.
- 3.6 A quorum is reached if two of the external members of Council are present.
- 3.7 Terms of Council appointments will be as determined by Council.
- 3.8 The Committee is authorised to obtain all pertinent information from management.

4 GENERAL RESPONSIBILITIES

- 4.1 The Audit and Risk Management Committee provides open lines of communication between Auditors and Council. It shall meet at least four times per year. The Chair has the power to call a meeting whenever necessary.
- 4.2 Audit and Risk Management Committee should report to Council after each meeting. The report should cover the following:
 - 4.2.1 The Committee's minutes;
 - 4.2.2 Any formal resolutions or decisions of the Committee;
 - 4.2.3 Information about the audit process and significant recommendations and results from audits;
 - 4.2.4 Any major issues of which the Committee believes the Council should be informed.
- 4.3 Audit and Risk Management Committee has the power to conduct or authorise investigations into matters within the Committee's scope of responsibilities as defined below. The Committee is authorised to retain independent counsel where required to assist in its investigations.
- 4.4 Audit and Risk Management Committee may undertake any matters as directed by Council.

5 RESPONSIBILITIES FOR AUDITORS

- 5.1 Audit and Risk Management Committee will select the external auditor for the University financial statements, where this is not provided for by legislation. The Committee's selection is subject to approval by the Council. The Committee will review external audit fees, and review and approve any dismissal of external auditors.
- 5.2 The Director: Assurance Services shall be subject to appointment by resolution of the Council and any questions of appointment, dismissal, replacement, or reassignment shall be determined by resolution of the Council on the recommendation of the Audit and Risk Management Committee.
- 5.3 Audit and Risk Management Committee will confirm and assure the independence of internal and external audit.
- 5.4 Audit and Risk Management Committee will obtain an understanding, through consultation with the external auditor, of the audit scope and broad plans for the external audit.
- 5.5 Audit and Risk Management Committee will review and approve the scope of the internal audit plan and work program, and will review plans for the resourcing of the work program.
- 5.6 Audit and Risk Management Committee will consider the coordination of the internal and external audits. The purpose of coordinating these efforts is to assure completeness of coverage, reduce redundancy, and use audit resources effectively.

5.7 Audit and Risk Management Committee will consider and review with management and the Director: Assurance Services:

5.7.1 Any changes to the planned scope of the internal audit work plan the Committee thinks advisable;

5.7.2 The Internal Audit Function Charter;

5.7.3 Whether the internal audit function complies with the Institute of Internal Auditors' Standards for the Professional Practice of Internal Auditing.

6 RESPONSIBILITIES FOR RISK MANAGEMENT AND REVIEWING AUDIT REPORTS AND MANAGEMENT LETTERS.

6.1 Council has established a Risk Management Policy, with the following responsibilities assigned to the Committee:

6.1.1 Audit and Risk Management Committee will report to Council on the implementation of Risk Management Policy C24 and related framework, and the outcome of any external or internal reports received on risks and the effectiveness of risk management.

6.2 Audit and Risk Management Committee will review the adequacy of the University's system of internal control with management, the Director: Assurance Services and the external auditors. The Committee will prepare a periodic report to Council on the adequacy of the internal control system.

6.3 Audit and Risk Management Committee will review any significant risks, findings and recommendations made by external or internal auditing, together with management's responses to them.

7 RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

7.1 Shortly after the annual examination is completed, the Committee will review the following with management and the external auditor:

7.1.1 The University's annual financial statement and the related notes;

7.1.2 The external auditor's audit of and report on the financial statements;

7.1.3 The external auditor's qualitative judgement about the appropriateness of accounting principles and disclosures;

7.1.4 Any serious difficulties or disputes with management encountered during the course of the audit.

8 PERIODIC RESPONSIBILITIES

8.1 Review annually the Committee's charter and recommend update where necessary.

- 8.2 Provide the opportunity for external Council members on the Audit and Risk Management Committee to meet with external and internal auditors without management personnel being present at least once a year.
- 8.3 Report annually to the Council on the Committee's performance and compliance in relation to this charter.