AUTHORITY

1 The University Council has established the Audit Committee in compliance with Division 5, Section 35(1) of the Financial and Performance Management Standard 2009 which specifies that each statutory body may establish and maintain an Audit Committee for the statutory body.

2 The Audit Committee is a sub-committee of the University Council. The Committee reports directly and is accountable to the Council.

3 The Council authorises the Committee, within its function and activities, to:
   (a) Have unrestricted access to records, data and reports and to obtain any information it needs from any employee of the University and/or external party (subject to their legal obligation to protect information);
   (b) Discuss any matters with the Queensland Audit Office (QAO), and other external parties (subject to confidentiality considerations);
   (c) Request the attendance of any University staff member at a Committee meeting; and
   (d) Consult with the Vice Chancellor over the need to obtain external legal or other professional advice where this advice is considered necessary by the Committee to meet its responsibilities.

FUNCTIONS

4 (a) The primary role of the Committee is to assist and support the Council and the Vice Chancellor to discharge the financial and performance management responsibilities imposed under the Financial Accountability Act 2009, Financial and Performance Management Standard 2009 and other relevant legislation. The Committee covers all activities of the University and its controlled entities, excluding the academic activities and outcomes of teaching, learning, and research, unless the Vice Chancellor approves otherwise.

(b) In performing its functions, the Audit Committee also supports the Council in meeting the following aspects of Standard 6.2 Corporate Monitoring and Accountability of the Higher Education Standards Framework (Threshold Standards) 2015:

   The provider is able to demonstrate, and the corporate governing body assures itself that the provider is operating effectively and sustainably, including:
   - 6.2(1)(a) The governing body and the entity comply with the requirements of the legislation under which the provider is established, recognised or incorporated, and any other legislative requirements and the entity’s constitution or equivalent.
   - 6.2(1)(d) Financial reporting is materially accurate, financial management meets Australian accounting standards, effective financial safeguards and controls are operating and financial statements are audited independently by a qualified auditor against Australian accounting and auditing standards.

5 Responsibilities Related to Financial Statements

1 Current as at 28 August 2015.
2 Any reference to QAO also applies to a delegate of the QAO.
Review the results of the audit of the University’s financial statements and all matters required to be communicated to the Committee by the QAO under the professional auditing standards. Based on such review and discussion the Committee shall:

(a) Consider whether the University's financial statements are in a form appropriate for inclusion in the annual report; and
(b) Offer advice, as required, as to the satisfactory nature of the financial statements prior to the Chancellor signing them.

With respect to the financial statements, the discussion shall include the following:

(c) Major changes to the financial statements, presentations, including major issues regarding accounting principles and financial statement presentations, including any significant changes in the University's selection or application of accounting principles;
(d) The reasonableness of the judgments and determinations made by management in connection with the preparation of the financial statements;
(e) The effect of existing and new regulatory and accounting initiatives, as well as any off-balance sheet structures represented in the financial statements;
(f) The completeness and the clarity of the disclosures and notes, including proper explanations for management assumptions, unusual transactions, or significant variances disclosed in the financial statements;
(g) Confirmation that the financial statements are supported by appropriate management certification on the statements and adequacy of the internal controls, including management representation letters; and
(h) The appropriateness of action on the financial statements taken in response to audit recommendations and adjustments, including reviewing relevant QAO management letters and University responses.

University management shall immediately disclose to the Chair of the Committee any material changes in the financial condition, regulatory standing or operations of the University. Such disclosures shall be presented to the full Committee at its next meeting or earlier, as applicable.

6 Responsibilities Related to External Audit

(a) Review with the QAO any audit problems or difficulties encountered with management during the course of the audit work, including any restrictions on the scope of the QAO’s activities or access to requested information.
(b) Review and confirm the proposed QAO client strategy for each year.
(c) Review QAO management letters and the University's responses to ensure any identified deficiencies in internal control are given adequate attention by management and Audit, Risk and Compliance.
(d) Ensure that the external audit is independent, that there are no impediments to the scope of the external audit, and that the external auditors possess appropriate skills and professional qualifications.

7 Responsibilities Related to Internal Audit

(a) Review the internal audit charter, and recommend approval of the charter to the Vice Chancellor.
(b) Review the annual audit plan and any subsequent changes to ensure that it incorporates the University’s significant auditable risks, and recommend approval to the Vice Chancellor.
(c) Receive periodic reports from the Director, Audit, Risk and Compliance and the Manager, Internal Audit on progress toward completing the annual audit plan, including adequacy of staffing and skills of internal audit personnel and any external service providers and that adequate resources have been budgeted to complete the plan.
(d) Review significant audit findings and management responses, and subsequent follow up of recommendations.

(e) Review and assess the performance of the Internal Audit Unit against the annual audit plan and other key performance indicators as developed and agreed with the Committee.

(f) The Chair of the Audit Committee is to be consulted prior to any management decision in relation to the appointment of a new Director, Audit, Risk and Compliance or Manager, Internal Audit, or the termination of the Director, Audit, Risk and Compliance or the Manager, Internal Audit.

8 Responsibilities Related to Compliance Oversight

(a) Review with the Vice President, Corporate Services and the Director, Audit, Risk and Compliance, the University’s compliance and integrity program, including legal and regulatory requirements, and the effectiveness of such programs.

(b) Review procedures for receiving employee complaints and concerns under the University Whistleblower program as administered by the Vice President Corporate Services.

9 Responsibilities Related to Management

(a) Assess whether management’s approach to maintaining an effective control environment is sound and effective, and if relevant policies and procedures have been developed, implemented and periodically reviewed.

(b) Assess the effectiveness of the risk management system, as well as the various sources of assurance and their overall adequacy.

(c) Assess whether management has taken steps to embed a culture in the University which is committed to lawful and ethical behaviour.

10 Responsibilities of a General Nature

(a) Identify any special projects or investigations deemed necessary.

REPORTING

11 The minutes from Audit Committee meetings are provided to the subsequent meeting of University Council.

12 The Chair will provide an annual report to Council setting out whether the Committee has discharged its responsibilities under its constitution.

13 The Audit Committee Chair may, at any time, request a meeting with Vice Chancellor or Chancellor of the University Council on any matter relating to the Committee’s functions.

MEMBERSHIP (link to membership information)

14 The membership of the Committee is:

(a) Chairperson appointed by Council;

(b) One member of Council from amongst the members of Council who is neither a staff nor student member of the University;

(c) One member appointed by Council from either of the following categories:

(i) A member of Council who is neither a staff nor student member of the University.

(ii) A member external to the University with expertise in auditing and/or accounting.

(d) Two members appointed by Council with expertise in auditing and/or accounting.

(e) No member of the Committee may be a staff member or student of the University.
15 The term of office of members is for a period of up to three years. To ensure continuity of the membership, the terms of the office of members shall be such that no more than two terms of office may expire at any one time, and only one of these may be the term of office of an external member.

Council may re-appoint members at the expiration of their term. Resignations are to be provided to the Chair in writing.

16 The members individually should be financially literate and should possess the following qualities:

(a) An ability to ask relevant questions, evaluate answers and continue to probe for information until completely satisfied with the answers provided;
(b) The desire to always encourage openness and transparency;
(c) An ability to think independently, objectively and have an inquiring mind;
(d) Strong ethical values including a thoughtful approach to ethical issues that might be faced;
(e) A sense of integrity and an ability to give direct and honest opinions; and
(f) A proven ability to be open to, and accept and foster, change.

17 The members, taken collectively, will have a broad range of skills and experience relevant to the University, including:

(a) An understanding of the core activities of the University and the environment in which it operates;
(b) A commitment to the continual improvement of the University’s financial and non-financial performance management information;
(c) Strong business acumen and management skills;
(d) A high-level understanding of best practice internal control, risk management and corporate governance;
(e) A knowledge of information systems and emerging technology; and
(f) A high level of competency in financial and operational reporting and the ability to analyse complex financial reports.

18 A quorum of a majority of members must be present to conduct a meeting. Meetings can be held in person, by telephone or by video conference. Proxies are not allowed.

19 New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

RIGHTS OF AUDIENCE AND DEBATE

20 The Committee may invite the Vice Chancellor to attend a meeting for discussion of a particular matter.

21 The following officers may attend meetings of the Committee with rights of audience and debate:

(a) Vice President (Corporate Services);
(b) Chief Financial Officer;
(c) Director, Audit, Risk and Compliance
(d) Manager, Internal Audit.

22 The Committee can meet separately with management, the Director, Audit, Risk and Compliance and/or the Manager, Internal Audit or representatives from the QAO if necessary to discharge its responsibilities.
The Committee may invite management and staff of the University and staff of the QAO to attend a meeting or meetings (or part thereof) as it sees fit.

The Committee may determine to conduct a meeting (or part thereof) with none of the persons mentioned in sections 20 - 23 present.

MEETINGS

The Committee shall meet at least four times a year. The Audit Committee Chair is required to call a meeting if requested by the University Council or another Committee member. An annual work plan for the Committee shall be developed by the Secretary in conjunction with the Chair.

RELATIONSHIP WITH FINANCE, RESOURCES AND RISK COMMITTEE

The Audit Committee Chair shall meet with the Finance, Resources and Risk Committee Chair as deemed necessary by either Chair. The Audit Committee Chair may recommend to the Finance, Resources and Risk Committee Chair that particular internal audit reports be provided to the Finance, Resources and Risk Committee.

CONFLICTS OF INTEREST

Committee members must disclose conflicts of interest at the commencement of each meeting.

Members are required to identify any conflict of interest, including family or other personal relationship/s which may exist in respect of any of the items on the agenda. When an interest has been declared, the Chair may resolve that the member:

(a) leaves the meeting while the item of business is discussed; or
(b) participates in the discussion but withdraw from the meeting before the vote and/or decision; or
(c) stays but does not participate in either the debate or vote/decision; or
(d) stays with full debating and voting/decision rights.

All declarations of interest will be recorded in the minutes, together with any ensuing action.

SECRETARY

The Vice President (Corporate Services) is responsible for appointing the Secretary of the Committee who has rights of audience and debate. No member of staff of Audit, Risk and Compliance may be appointed as the Secretary.

The Secretary will ensure the agenda and supporting papers for each meeting are circulated, after approval by the Chair, at least one week before the meeting. Minutes must be approved by the Chair and circulated within two weeks of the meeting to each member.

AUDIT COMMITTEE PERFORMANCE AND REVIEW

The Audit Committee will review its performance on an annual basis. This review may be conducted as a self assessment and will be coordinated by the Chair of the Committee. The assessment may seek input from the Vice Chancellor, Vice President (Corporate Services), Chief Financial Officer, Director, Audit, Risk and Compliance, Manager, Internal Audit and QAO. Training needs will be monitored by the Chair.
32 The Vice Chancellor or Council may determine that the Audit Committee processes and procedures undergo an external peer review of its performance.

33 The Audit Committee constitution will be reviewed annually by the Committee. Any substantial changes to the constitution will be recommended by the Committee and formally approved by the University Council.