

UNSW Audit Committee

Membership and Terms of Reference

A. Current membership as at 31 January 2019

Name	Role	Term
Mr Brian Long, Presiding Member	<i>Council Member</i>	to 30 June 2020
Ms Jillian Segal AO	<i>Deputy Chancellor (ex officio)</i>	N/A
Mr Aaron Wagner	<i>Council Member</i>	to 30 June 2020
Mr Mark Johnson	<i>External Member</i>	to 30 June 2020
Mr Michael Wright	<i>External Member</i>	to 30 June 2020
Vacant	<i>External Member</i>	

B. Terms of Reference

Last reviewed and authorised by UNSW Council, 13 August 2018

1. Purpose

The Audit Committee assists Council in discharging its obligations to monitor accurate and timely financial reporting and the integrity of financial systems by:

- Overseeing financial reporting;
- Assessing internal controls, including fraud control by a process of reporting and dialogue with management, internal and external auditors; and
- Evaluating the audit process;

noting that Council has delegated to management responsibility for managing all risks of the University and its controlled entities.

2. Authority

The Audit Committee has authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- Resolve any disagreements between management and the external auditor regarding financial reporting;
- Approve proposed auditing fees for External Auditors;
- Seek independent, professional advice to assist it to carry out its responsibilities;
- Seek any information it requires from employees, all of whom are expected to cooperate with the committee's requests, or external parties; and
- Meet with company officers, external auditors, or outside counsel, as necessary.

The Audit Committee has unrestricted access to all records and staff of the University for the purposes of exercising its functions and discharging its responsibilities.

The Audit Committee does not have executive powers or any delegated financial powers.

3. Composition

a) The Audit Committee will consist of:

- At least three (3) members of Council who are neither the Presiding Member of the Finance Committee nor the Presiding Member of the Risk Committee; and
- Up to three (3) persons with relevant expertise who are neither members of Council nor employees of the University.

- b) The President and Vice-Chancellor is excluded from membership by Council, as permitted under the UNSW By-law 2005, Part 2, 5, (d) but is entitled to attend Audit Committee meetings, as an observer.
- c) The Presiding Member is appointed by Council, from the Committee members who are not employees of the University.

4. Meetings

- a) Meetings are scheduled throughout the year, and in particular, to meet statutory reporting deadlines, and after each meeting the Presiding Member will report to the immediately following Council meeting. The Committee may meet via teleconference at the discretion of the Presiding Member.
- b) The quorum for the Audit Committee is three and must include at least one Council member of the Committee. Attendance by teleconference shall be counted in quorum.
- c) The Committee may, with the consent of the Presiding Member, invite any person or persons to all or part of its meetings to assist the Committee in its work. The Director, Internal Audit, will normally attend for all or part of each meeting. Others attending as required include Deputy Vice-Chancellors; Vice-President, Finance and Operations; Chief Financial Officer; General Counsel; and relevant members of the Finance team. The Auditor-General or nominee (who may be the Director of Audit, Audit Office of NSW) will be invited to attend all meetings.
- d) The Committee's agendas will be approved by the Presiding Member. Any member may suggest items for consideration. The minutes and relevant documentation of each meeting will be provided to Council, and the Presiding Member shall draw any urgent or special matters to the attention of Council as the Committee suggests.
- e) From time to time, the committee may meet in a 'members only' session. Periodically, private sessions will be held individually with senior officers including, but not limited to: the Deputy Vice-Chancellor, Academic; the Vice-President, Finance and Operations; and the General Counsel. The Committee will meet at least annually with the Director, Internal Audit and the external Auditor.
- f) The Committee will refer matters with relevance to the areas of risk management other than internal control (including fraud control, financial reporting and the audit process) that come to its attention directly to the Risk Committee.

5. Resolutions without meetings of the Committee (Circular resolutions)

- a) Subject to this clause, if a majority of the members for the time being of the Committee sign and return to the Presiding Member a document circulated by, or on behalf, of the Presiding Member containing a statement that those members are in favour of a resolution in terms set out in the document, a resolution in those terms shall be deemed to be the decision of the Committee, but only if:
 - (i) the document, signed by the majority of members, is received by the Presiding Member no later than the deadline for response stipulated in the circulated document; and
 - (ii) no two or more members notify the Presiding Member in writing, before that deadline, that the members wish to have the proposed resolution listed for discussion at the next meeting of the Committee.

A resolution made by the procedure stated in this clause shall be deemed to be the decision of the Committee, effective from the day on which the document is signed or, if the members do not sign it on the same day, on the day on which the last member of the requisite majority to sign the document does so.

- b) If a decision of the Committee is made by a resolution without meeting under clause [5a], the Presiding Member shall cause a copy of the terms of the resolution to be promptly notified to all members and the resolution shall appear in the agenda for the next meeting of the Committee for the purpose of forming a record in the minutes of that meeting.
- c) For the purposes of clause [5a]:
 - (i) two or more separate documents containing a statement in identical terms, each of which is signed by one or more members, shall be taken to constitute one document;
 - (ii) 'sign', in relation to a document, means apply, affix or cause to be applied or affixed a member's signature or facsimile thereof; and
 - (ii) 'return to/notify the Presiding Member' means send to the Presiding Member or the person nominated by the Presiding Member by post, facsimile or email.

6. Role and responsibilities

- a) To oversee the University's (and its controlled entities') statutory financial reporting, assess internal control (including fraud control) and evaluate the audit process.
- b) To exercise such powers as Council may delegate that are relevant to the Audit Committee Terms of Reference and to advise and report to Council on:
 - Auditing, internal control and statutory financial reporting matters;
 - Any anticipated exposure to financial and internal control risk that could materially affect the reputation and/or operation of the University and its controlled entities;
- c) To review and consider any matters raised by Council, the Finance Committee, the Risk Committee, or the President and Vice-Chancellor that are relevant to the Audit Committee Terms of Reference.
- d) To monitor and review the auditing, internal control policies and procedures and statutory financial reporting of the University and its controlled entities, including:
 - Reviewing and approving the activities for the Internal Audit function, including the Internal Audit Plan, and overseeing the Internal Audit activities as appropriate;
 - Monitoring and reviewing the adequacy and effectiveness of internal controls of the University and its controlled entities via the review of reports from Management, Internal Audit Office and the External Auditors, reviewing compliance with recommendations contained in those reports and liaising with the President and Vice-Chancellor so that appropriate and timely action is taken;
 - Reviewing the audited financial statements of the University and its controlled entities with attention to compliance with relevant accounting standards, and the quality of the University accounting, financial management, information reporting, and internal controls;
 - Reviewing the engagement processes for External Auditors of the University and its controlled entities, approving their proposed fees, and monitoring and reviewing the independence, objectivity, and effectiveness of the External Auditors;
 - Reviewing and monitoring:
 - compliance with financial regulations and accounting standards, and relevant financial and control risks of the University and its controlled entities;
 - compliance with the fraud control plan of the University and of its controlled entities;
 - the University's and its controlled entities' oversight of major litigation and claims; and
 - the University's compliance with laws and regulations.
- e) To refer any matters concerning non-compliance with the UNSW Risk Management Framework to the Risk Committee.
- f) The Presiding Member of the Audit Committee is the designated officer to receive a report relating to the President and Vice-Chancellor under the Public Interest Disclosures Procedure.
- g) For the purpose of supporting the independence of the Internal Audit function, the Director, Internal Audit has a direct reporting line to the Presiding Member of the Audit Committee.

7. Review

To enable the Committee to operate effectively and fulfil its functions, it will:

- Undertake an annual review of its Terms of Reference; and
- Conduct a self-assessment every two years, unless an external review of Council and its committees is scheduled in that year.