

CIT Audit and Risk Committee Charter

November 2023

TRAINING CBR'S *BEST*

Canberra Institute
of Technology

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1. ROLE AND AUTHORITY

1.1 Background

The CIT Board is responsible for the efficient and effective financial management of CIT under Sections 56 and 77 of the *Financial Management Act 1996*. The Audit and Risk Committee (Committee) is a subcommittee of the CIT Board and has been established in accordance with the [ACT Government Framework for Internal Audit Committee and Function](#), a set of mandatory principles set by the ACT Government under section 13 – Fraud and Corruption Prevention of the Public Sector Management Standards 2006 (repealed). This requirement continues to apply under section 113 of the Public Sector Management Standards 2016.

This Charter sets out the Committee's objectives, authority, membership, roles and responsibilities, reporting and administrative arrangements.

1.2 Mission

To enhance and protect organisational value by providing risk-based and objective assurance, advice and insight (*Institute of Internal auditors, international standards 2015*).

1.3 Objective

To provide independent, objective assurance and assistance to the CIT Board on CIT's risks, control and compliance framework, and its external accountability responsibilities.

1.4 Authority

The Committee has no executive powers, except those that may be expressly provided by the Minister or delegated by the CIT Board.

The CIT Board authorises the Committee, within the scope of its role and responsibilities and through the Internal Audit team to:

- obtain any information it needs from any employee and/or external party (subject to their legal obligation to protect information)
- discuss any matters with an internal or external auditor, or other external parties (subject to confidentiality considerations)
- request the attendance of any employee, including the Chief Executive Officer (CEO), at Committee meetings
- obtain external legal or other professional advice, as considered necessary to meet its responsibilities, at CIT expense.

2. THE COMMITTEE

2.1 Membership

The CIT Board is responsible for the appointment of Committee members.

The Committee will consist of at least three and not more than five members. If non-Board Directors are appointed to the Committee, to fill a required skill, and they are not employed by the ACT Government, a procurement process must be followed. The CIT Board Chair or Deputy Chair must not be a member of the Committee.

The Committee Chair will be appointed for one term for a period of at least three years to a maximum of five years, consistent with the *ACT Government Framework for Internal Audit Committee and Function (February 2020)*. Members may be appointed for a minimum of three years and a maximum of five years. Reappointments are permissible after a formal assessment of a member's performance by the CIT Board but cannot exceed a total of eight consecutive years.

The Committee members, taken collectively, will have a broad range of skills and experience relevant to the operations of CIT. At least one member of the Committee should have accounting or related financial management experience with an understanding of accounting and auditing standards in a public sector environment. CIT will provide relevant training and advice to all newly appointed members and on request from existing members.

2.2 Non-member meeting attendees

Advisors/observers may attend Committee meetings for all or part of the meetings at the discretion of the Chair. These advisors/observers may include the Chief Executive Officer, Chief Finance Officer, CIT Executives, External Audit, members of the CIT Board and the Senior Executive Responsible for Business Integrity Risk (SERBIR).

2.3 Roles and Responsibilities of Members

The Committee is directly responsible and accountable to the CIT Board for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must at all times recognise that primary responsibility for governance of CIT rests with the CIT Board.

The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the CIT Board.

Members of the Committee are expected to understand and observe all relevant legislative requirements and are required to:

- attend all scheduled meetings (substitutes cannot be offered)
- review the papers provided and seek advice from the secretariat if required
- understand the operating environment of CIT, its strategic objectives, corporate governance requirements, prevailing social and economic conditions and the risks affecting the delivery of outputs
- apply good analytical skills, objectivity and judgment
- express opinions constructively and frankly, ask questions that go to the fundamental core

of the issue and pursue independent lines of enquiry

- avoid any conflict of interest and inform the Committee where actual or perceived conflicts may become apparent
- contribute to an effective decision-making process.

Members must not use or disclose information obtained by the Committee except in meeting the Committee's responsibilities, or unless expressly agreed by CIT.

The Committee will be assisted by the Audit Risk and Corporate Governance team.

3. DUTIES OF THE COMMITTEE

3.1 Overseeing an effective and efficient internal audit program including, but not limited to:

- a) endorsing the internal audit program and ensuring the program takes into account the CIT risk management plan
- b) advising the CIT Board on the adequacy of internal audit resources to carry out its responsibilities, including completion of the approved internal audit plan
- c) reviewing all reports related to the internal audit program, fraud reviews, emerging risks and critical management reviews
- d) monitoring the implementation of agreed recommendations from audit reports.

3.2 Oversight and management of risk framework including, but not limited to, whether:

- a) CIT has a sound enterprise risk management framework and associated processes for effective identification and management of its business and financial risks, including those associated with:
 - I. project/programme activities
 - II. business continuity, emergency management planning arrangements
 - III. safety, legal, compliance and integrity risks
- b) policies, practices and processes for risk management are in compliance with the relevant Australian standards
- c) the process for developing and implementing CIT's fraud control and corruption prevention plan is sound, and that CIT has appropriate processes and systems in place to detect, capture and effectively respond to fraud and corruption risks including reporting from the Senior Executive Responsible for Business Integrity Risk (SERBIR).

3.3 Legislative and Regulatory compliance including, but not limited to:

- a) determining whether management has appropriately considered legal and regulatory compliance risks (ASQA for VET and TEQSA for Higher Education), as part of CIT's risk assessment and management arrangements

- b) reviewing management systems for monitoring CIT's compliance with relevant laws, regulations, licenses and associated government policies with which CIT must comply
- c) determining whether CIT's Work Health and Safety commitments and obligations meet legislative requirements
- d) reviewing management's approach to maintaining an effective internal security system (including complying with the Protective Security Policy Framework)

3.4 Financial/performance reporting including, but not limited to:

- a) reviewing the annual audited financial statements and related management representations and recommending the signing of those statements
- b) ensuring that the annual financial statements and statement of performances are compliant with ACT legislation, ACT treasury guidance and relevant accounting standards and policies, and are to provide recommendations to the governing body on the annual financial statements
- c) reviewing the statement of performance process to confirm conformance with relevant ACT legislation and policies
- d) reviewing the annual internal budget process.

3.5 System of internal control including, but not limited to, whether:

- a) management's approach to maintaining an effective internal control framework, including over external parties such as contractors and advisors, is sound and effective
- b) management has in operation relevant policies and procedures—such as accountable authority instructions, delegations, a business continuity management plan, or bullying and harassment policies
- c) the processes in place for managing and maintaining the security and appropriateness of CIT's information technology systems and networks
- d) management has in place relevant policies and procedures, including Chief Executive Officer Instructions or their equivalent, and that these are periodically reviewed, updated and monitored for effectiveness of implementation.

4. REPORTING

4.1 Reporting to the Governing Board

The Committee will, at the end of each year, report to the CIT Board on its operations and activities during the year. The report should include:

- a summary of the work the Committee performed to fully discharge its responsibilities during the preceding year
- a summary of CIT's progress in addressing the findings and recommendations made in internal audits, external audit and ACT Legislative Assembly Committee reports

- an overall assessment of CIT's risk, control and compliance framework, including details of any significant emerging risks or legislative changes impacting CIT
- details of meetings, including the number of meetings held during the relevant period, and the number of meetings each member attended.

The CIT Board may report annually to the Minister on the operations of the Audit Committee. The Audit Committee can report directly to the Minister on significant issues at other times but any reports to the Minister must be provided to the CIT Board Chair for comment prior to transmittal.

Following each Committee meeting, the Chair of the Committee will provide a summary of key issues considered to the CIT Board.

5. ADMINISTRATION

5.1 Meetings

The Committee will meet at least six times per year. This includes two special meetings to review the CIT Annual Consolidated Financial Statements.

The Chair is required to call a meeting if requested to do so by the CIT Board or another Committee member.

An annual meeting plan, including meeting dates and agenda items, will be agreed by the Committee each year. The annual planner will cover the Committee's duties as detailed in this Charter.

5.2 Attendance at meetings and quorum

A quorum will consist of a majority of Committee members.

Internal auditors and external representatives may be invited to attend meetings, as determined by the Chair. The Committee may also request attendance of any CIT staff member to participate in certain agenda items.

The Committee will meet separately with both the internal and external auditors as required.

5.3 Secretariat

Secretariat support will be provided by Audit Risk and Corporate Governance. The Secretariat will ensure the meeting papers are circulated at least one week before the meeting, where possible, and that minutes of the meetings are prepared and maintained. Minutes must be approved by the Chair and circulated within two weeks of the meeting to each member and Committee observers, as appropriate.

5.4 Conflicts of Interest

At the beginning of each Committee meeting, members are required to declare any potential or actual conflicts of interest that may apply to specific matters on the meeting agenda. Where required, the Chair will excuse the member from the meeting or from the Committee's

consideration of the relevant agenda item/s. Details of potential or actual conflicts of interest declared by members and action taken will be noted in the minutes.

5.5 Performance Review of Committee

The Committee will undertake an annual evaluation of its performance and report their results to the CIT Board. The review will be conducted on a self-assessment basis (unless otherwise determined by the CIT Board).

6. DOCUMENT CONTROL

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Revision

The Audit and Risk Committee Charter must be reviewed and updated on an annual basis (or more frequently following major change to business operations and/or priorities) as part of the CIT business planning and risk review processes. All reviews will include consultation with the CIT Board Secretariat.

Version	Reason	Date	Responsible officer
1	Initial Draft	September 2015	Margaret Russell
2	Annual Review	October 2016	Margaret Russell
3	Annual Review	September 2017	Margaret Russell
4	Annual review	July 2018	Margaret Russell
5	Annual Review	October 2019	Grace Concannon
6	Annual Review	December 2020	Grace Concannon
7	Annual Review	February 2022	Rhonda Pilgrim
8	Annual Review	November 2022	Daniel Riley
9	Annual Review	November 2023	Daniel Riley

Review and Authorisation

The Charter is to be approved by the CIT Board.

Chair CIT Board

Date

29/11/23