



Risk & Audit Committee Terms of Reference

1. Role

- 1.1 The role of the Risk and Audit Committee (**Committee**) is to assist Council in discharging its responsibilities in relation to:
 - 1.1.1 annual financial reporting;
 - 1.1.2 internal controls;
 - 1.1.3 risk management;
 - 1.1.4 insurance;
 - 1.1.5 compliance;
 - 1.1.6 internal audit;
 - 1.1.7 external audit; and
 - 1.1.8 other matters referred by Council from time to time.
- 1.2 The Committee will engage with the other standing committees of Council and the Academic Board about relevant matters identified by those committees and the Board in the discharge of their responsibilities relating to risk management and compliance.

2. Authority

- 2.1 The Committee is a standing committee of Council, established pursuant to Schedule 1, Clause 15(1) of the *Monash University Act 2009 (Vic)* (**the Act**), and is accountable to Council.
- 2.2 Council has delegated to the Committee the functions and powers set out in these Terms of Reference in accordance with section 18(1)(b) of the Act.
- 2.3 The Committee must not delegate any function or power delegated to it by Council.
- 2.4 The Committee may seek external legal or other professional advice as the Committee considered necessary and appropriate. Any such advice may be obtained at the University's expense and independent of management (including the Vice-Chancellor).

3. Membership

- 3.1 Council will appoint and remove the members of the Committee and, with the assistance of the Governance and Nominations Committee, will review the composition of the Committee periodically.
- 3.2 Unless Council determines otherwise, the Committee will comprise the Chair and at least two other members of Council (other than the Vice-Chancellor) with appropriate business/commercial, finance, accounting and/or legal experience.
- 3.3 The Chair will be a member of Council (other than the Chancellor) with appropriate experience appointed by Council on the recommendation of the Governance and Nominations Committee. If the Chair is unable to attend (for any reason) at the appointed time for the commencement of a meeting, the members in attendance may select another member, who must be a Council member, to preside as Chair for the meeting.
- 3.4 The University Secretary (or delegate) will be the Secretary of the Committee.
- 3.5 In accordance with the following procedure, up to two additional members with appropriate expertise and experience, who are not members of Council, may be appointed to the Committee:
 - 3.5.1 The Committee will consider and approve the selection criteria against which candidates for consideration for appointment as a co-opted member will be assessed.
 - 3.5.2 The Governance and Nominations Committee (together with the Chair of the Committee if they are not also a member of the Governance and Nominations Committee) will identify candidates for the position(s) and recommend a suitable candidate or candidates for consideration and appointment by Council.
 - 3.5.3 Each co-opted member of the Committee will be appointed for a term of up to three-years. The Chair may recommend to the Governance and Nominations Committee, for consideration by Council, the renewal of the term of a co-opted member. Co-opted members may serve a maximum of three terms not exceeding 9 years in total (whether consecutive or not).
- 3.6 The Victorian Auditor-General's Office's Director or agent (or nominee) has a standing invitation to attend each meeting of the Committee.

4. Responsibilities

The Committee has delegated responsibility to:

Risk Governance

- 4.1 Monitor the functioning and adequacy of the Monash Group's internal controls.

- 4.2 Review and, if appropriate, recommend to Council for approval policies relating to integrity of operation and practice, including risk management, audit, fraud and corruption, privacy and data protection, and conflicts of interest.
- 4.3 Monitor the Monash Group's risk and compliance culture and the extent to which that culture supports the Monash Group's ability to operate consistently within its risk appetite, and make recommendations to the Council on any desirable changes to risk and compliance culture.
- 4.4 Determine appropriate arrangements for the monitoring of risk and compliance matters for controlled entities and oversee the operation of those arrangements.

Risk management

- 4.5 Review the adequacy and effectiveness of the Monash Group Risk Management Framework and policy (and related procedures).
- 4.6 Review the adequacy and effectiveness of the method and processes to identify and manage new financial and non-financial risks, including emerging risks that arise from changes in external political, economic, social, technological, legal or environmental factors, or new strategic initiatives.
- 4.7 Review and make recommendations to Council in relation to the Monash Group's risk appetite (articulated in its risk appetite statement).
- 4.8 Monitor the Monash Group's risks against its risk appetite, including by reviewing:
 - 4.8.1 the Group's risks profiles, including the current areas of greatest risk, and the effectiveness of internal accountabilities, systems and controls implemented to manage those risks;
 - 4.8.2 reports from management regarding material risk incidents or material breakdowns of risk controls, and overseeing risk and control remediation plans implemented by management in response to those incidents or breakdowns; and
 - 4.8.3 the adequacy of management's risk reporting.
- 4.9 Oversee the Monash Group's whistleblower program including:
 - 4.9.1 review and recommend to Council for approval the Whistleblower Policy, and approve the Whistleblower Procedure;
 - 4.9.2 approve the appointment of the Whistleblower Coordinator(s),
 - 4.9.3 oversee the processes in place to make relevant persons aware of the Monash Group's Whistleblower Policy and Procedure; and
 - 4.9.4 review reports on significant whistleblower investigations, trends and insights.

- 4.10 Review and recommend to Council disclosures to be included in the annual report concerning risk management and material risks.
- 4.11 Review the appropriateness of the Monash Group's insurance program at least annually having regard to the Group's risk profile, risk appetite and insurable risks.

Compliance

- 4.12 Review the effectiveness of the Monash Group's processes for monitoring compliance with applicable laws, regulations, contractual obligations, internal policies and industry standards, and the results of management's investigation and the adequacy of action in relation to material non-compliance.
- 4.13 Oversee compliance matters that could have a material impact on the University's financial statements, strategy, operations or reputation, including compliance with occupational health and safety laws and standards.
- 4.14 Review the findings of any examination by a regulator and the adequacy of management's response (other than those within another committee's responsibilities).

Internal audit

- 4.15 Review the activities, resources and organisational structure of the University's internal audit function and ensure that it has the requisite independence and is adequately resourced.
- 4.16 Periodically review and approve the Internal Audit Charter.
- 4.17 Review significant findings and recommendations made by the internal auditors and management's proposed response and monitor actions taken by management in response to the recommendations.
- 4.18 Approve the appointment of an external firm as a co-sourced provider of internal audit services to the University and oversee the management of that relationship.
- 4.19 Review and approve the annual internal audit plan for the Monash Group including confirming that it addresses key areas of risks and that the level of co-ordination with the external auditor is appropriate.
- 4.20 Monitor the internal audit arrangements for all controlled entities including:
 - 4.20.1 the adequacy of the annual internal audit plans and resourcing of internal audit for each operating controlled entity, following consideration of the plan by the entity's board; and
 - 4.20.2 reviewing reports on any significant audit findings or issues from those entities.

External audit

- 4.21 Monitor the effectiveness of the relationship between external auditors (including the Auditor-General's Office) and management.
- 4.22 Consider advice and reports provided by the Auditor-General, and any responses to such advice or reports by management, including:
 - (a) the overall scope, plans and staffing for the external audit and audit-related services;
 - (b) the annual report and management letter; and
 - (c) any summary of unadjusted audit differences.
- 4.23 Consider reports of audits conducted at the University by external auditors (other than those conducted by the Auditor-General) and the University's responses.
- 4.24 Oversee the completion of appropriate external financial audits for each controlled entity as required by local regulations or Monash policy, and review any material audit issues arising.

Financial reporting

- 4.25 Oversee and monitor the University's annual financial reporting including:
 - 4.25.1 integrity of the financial statements and compliance with regulatory requirements; and
 - 4.25.2 policies, controls and procedures in connection with that reporting.
- 4.26 Review material accounting and financial reporting issues, including changes to accounting principles or standards or other regulatory requirements and their impact on the University's accounting or financial reporting.
- 4.27 Consider the report from the Finance Committee on whether the draft annual financial statements and associated notes for the relevant year accord with that committee's understanding of the financial performance (including cash flows and financial position) of the University and its consolidated entities.
- 4.28 Review and recommend to Council for approval the consolidated financial statements, the Councillors' declaration and report on financial operations, and other financial information contained in the University's annual report (other than the remuneration report which will be reviewed by the People and Remuneration Committee).

5. Access

- 5.1 To support the independence of the internal audit function, the Committee will meet with the head of the internal audit function and the partner of the co-sourced

internal audit provider without other management present to discuss matters that the Committee or internal auditors believe should be discussed in the absence of other management.

5.2 The Committee will meet with the external auditor at least once a year without management present to discuss any matters that the Committee or auditor believes should be discussed in the absence of other management.

5.3 The external auditor has access to the Chair of the Committee when required.

6. Meetings

6.1 The Committee will meet sufficiently regularly to perform its role effectively. Meetings may be convened with approval of the Chair or, where the Chair has a conflict of interest, any three other members.

6.2 Meetings may be held face to face or using any technology which enables members to participate in a discussion. Members located at another physical location are deemed to be present at the meeting, if they are connected by such technology.

6.3 Unless otherwise determined by Council, the quorum for a Committee meeting is a majority of the members. Meetings of the Committee shall not proceed if a quorum is not present within half an hour after the appointed commencement time of the meeting.

6.4 A decision of the Committee is deemed to have been made at a meeting if the majority of members present and entitled to vote support the recommendation. If the members' votes result in a tie (50% each way), the Chair will have the casting vote.

6.5 A member of staff, professional advisor or other person may be invited to attend meetings as an attendee or observer at the discretion of the Chair. The Chair may determine that a person is to be a standing attendee. Non-members will not participate in the deliberations of the Committee unless invited by the Chair.

6.6 The Chair may ask any person to withdraw from any part of a meeting where there is an actual, potential or perceived conflict of interest.

7. Conflict of Interest

7.1 Members of the Committee must comply with the conflict of interest requirements set out in the Council Charter. For that purpose, references in the Council Charter to the Council are taken to include the Committee and references to a Council member are taken to include a member of the Committee, with any other necessary modifications.

8. Written resolutions

8.1 The Committee may deal with matters requiring a decision by way of written resolution sent to all members, with prior approval from the Chair. A written resolution will be deemed to have been passed once a majority of members entitled to vote has approved it by signing, email confirmation or other electronic means, and will be effective on the date the last member constituting the majority approves.

9. Reporting to Council

9.1 The Chair will report to Council at the next practicable meeting following each meeting of the Committee on the outcome of matters considered by the Committee.

10. Performance Evaluation

10.1 The Committee will conduct an annual assessment of its activities under these Terms of Reference, and report any conclusions and recommendations to the Governance and Nominations Committee.

11. Review of Terms of Reference

11.1 The Governance and Nominations Committee shall review the Terms of Reference periodically, in consultation with the Chair, and recommend any proposed changes to Council for approval.

Effective date: 29 June 2026