



The College of Law Limited  
ACN 138 459 015

# Audit, Risk & Compliance Committee Charter

Adopted February 2012  
Revised February 2013  
Revised February 2014  
Revised February 2015  
Revised February 2016  
Revised May 2016  
Revised March 2017  
Revised March 2018  
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## 1. Introduction

- 1.1. The Audit, Risk & Compliance Committee is established under article 8.10 of The College of Law Limited's Constitution.
- 1.2. The Board of Governors ("Board") continuously reviews current trends and best practice in relation to corporate governance. The primary function of the Audit, Risk & Compliance Committee is to assist the Board to fulfil its corporate governance and oversight responsibilities relating to:
  - effective management of the The College of Law Limited Group's ("the Company's") financial and non-financial (including regulatory) material business risks
  - reliable management and financial reporting, including full year accounts
  - compliance with legislation, regulations and industry standards
  - maintenance of an independent, effective and efficient audit
  - the Company's Endowment Fund.
- 1.3. This Charter sets out the responsibilities delegated by the Board to the Audit, Risk & Compliance Committee and details the manner in which the Committee will operate.

## 2. Responsibilities

*Effective management of the Company's financial and non-financial (including regulatory) material business risks*

- 2.1. To monitor the current areas of greatest operating, financial and compliance risk along with risk management strategies and ensure management is effectively managing the risks.
- 2.2. To satisfy itself that effective systems of accounting and internal control (including management control systems and policies) are established and maintained to identify and manage operating, financial and compliance risks.
  - a) To review and report to the Board that:
    - the Company's ongoing risk management program effectively identifies all areas of potential risk;
    - adequate policies and procedures have been designed and implemented to manage identified risks; and
    - proper remedial action is undertaken to redress areas of weakness.
- 2.3. To ensure that the Board is aware of any matters that might have a significant impact on the financial condition or affairs of the Company, including ensuring that management reports to the Board (at least annually) as to the effectiveness of the

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<sup>1</sup> References updated to reflect responsibilities to the Australian Charities and Not For Profit Commission (ACNC)

<sup>2</sup> Updated to reflect the Committee's oversight responsibilities of the Company's Endowment Fund.

<sup>3</sup> Updated to reflect calendar and yearly standing Agenda items

company's management of its material business risks.

*Reliable management and financial reporting*

- 2.4 To review and assess the adequacy of management reporting to the Board in terms of the quantity, quality and timing of information necessary to understand and report internally and externally on the Company's risks, operations and financial condition.
- 2.5 To review the Company's accounting policies and practices in the light of the Corporations Act, the Australian Charities and Not for Profit Commission, Australian Accounting Standards and generally accepted accounting principles, and to review any complaints or concerns raised internally regarding financial or accounting processes and practices.
- 2.6. To review the annual financial statements, any other financial information to be released to third parties and all other sections of the annual report before submission to the Board, in light of the Corporations Act, the Australian Charities and Not for Profit Commission, and all other applicable legislative and reporting requirements (including assessing whether external reporting is consistent with the Committee members' information and knowledge, and is adequate for member needs).
  - a) To ensure a financial reporting system founded on a sound system of risk management and control is in place to enable the Group Chief Executive Officer and Chief Financial Officer to give a written declaration to the Board (at least annually) in respect of the financial statements as a matter of good Corporate Governance.
  - b) To review the declarations and assurances given to the Board by the Group Chief Executive Officer and Chief Financial Officer in accordance with 2.6(a) above.

*Compliance with legislation, regulations and industry standards*

- 2.7 To monitor developments and changes in the law relating to the responsibilities and liabilities of Governors and to monitor and review the extent to which the Board is meeting its obligations.
- 2.8 To monitor developments and changes in the various legislation, industry standards, regulations and rules which relate generally to the Company's business operations and to monitor and review the extent to which the Company is complying with such legislation, industry standards, regulations and rules.
  - a) To review and discuss with management and the external auditor the overall adequacy and effectiveness of the Company's legal, regulatory and ethical compliance programs and procedures.

*Maintenance of an effective, efficient and independent audit*

- 2.9 Subject to the requirements of the Corporations Act, recommend to the Board the appointment or removal of the external auditor and to review the external auditor's terms of engagement, including compensation.
- 2.10 To review the efficiency and effectiveness of the external auditor in relation to its responsibilities.
  - a) To oversee the independence of the external auditor including by ensuring that appropriate policies and procedures are in place to enable the Company to comply with applicable legislation, accounting standards and best practice with regard to the independence of the external auditor and to regularly review the application of those policies.
- 2.11 To ensure there have been no unjustified restrictions or limitations placed on the external auditor.

- 2.12 To ensure that the scope of the audit is adequate, ensuring emphasis is placed on areas where the Audit, Risk & Compliance Committee, management or the auditors believe special attention is necessary.
- 2.13 To review and assess the findings of the external auditor and the action taken and timetable proposed by management in response to the findings.
- 2.14 To monitor the independence of the external auditor.
  - a) To ensure appropriate policies exist for the provision of all non-audit services by the external auditor or a related party of the external auditor and regularly review the application of those policies.
  - b) To obtain a written declaration from the external auditor each year in accordance with section 60:40 of the Australian Charities and Not for Profit Commission Act.

*Endowment Fund*

- 2.15 To superintend the entire operation of the Endowment Fund in conjunction with the Group Chief Executive Officer and in a shared line of report with him to the Board.
- 2.16 To review and assess the adequacy of reporting by the Fund Manager in terms of the quantity, quality and timing of information.
- 2.17 To review and assess the performance (including risk management) of the Fund Manager and the Selected Fund.
- 2.18 To review and make recommendations to the Board for changes in investment strategy and investment objectives, including the type of fund the College invests in.
- 2.19 To review and assess on an annual basis the quantum of the liquidity buffer and recommend any changes to its base level to the Board.
- 2.20 To review on an annual basis the Endowment Fund Charter and the College's Investment Policy Statement and make recommendations to the Board as to improvements in relation to it.
- 2.21 To review and make recommendations to the Board on a six-monthly basis on additional investments into, or withdrawals from, the Endowment Fund.

*Other responsibilities*

- 2.22 To report any matter identified during the course of carrying out its duties that the Audit, Risk & Compliance Committee considers should be brought to the attention of the Board.
- 2.23 To perform or undertake on behalf of the Board any such other tasks or actions as the Board may from time to time authorise.

**3. Administration Matters**

*Membership and attendance at meetings*

- 3.1 The Audit, Risk & Compliance Committee will comprise three or more non-executive directors. A quorum shall be two.
- 3.2 The Audit, Risk & Compliance Committee may invite such other persons (e.g. the Group CEO, CFO) as it deems necessary.
- 3.3 The external auditor may make presentations to the Audit, Risk & Compliance Committee at its meetings.

3.4 The Chairman of the Audit, Risk & Compliance Committee will be nominated by the Board from time to time, and must be an independent director who is not Chairman of the Board.

a) It is intended that all members of the Committee should be financially literate and have familiarity with financial management and at least one member should have expertise in financial accounting and reporting (i.e. be a qualified accountant or other financial professional with experience of financial and accounting matters).

3.5 The Secretary of the Audit, Risk & Compliance Committee shall be the Secretary of the Company or such other person as nominated by the Board.

#### *Meetings*

3.6 The Committee will meet as often as the Committee members deem necessary in order to undertake and fulfil their role effectively. However, it is intended that the Committee will normally meet at least bi-annually and the schedule of meetings will be agreed in advance. The scheduled meetings will be set at dates to enable the draft annual financial statements to be reviewed prior to presentation to the Board. The external auditor may request a meeting if they consider that one is necessary.

3.7 The proceedings of all meetings will be minuted with draft minutes provided to the Chairman for review within 7 days of the meeting and circulated to Committee members within 14 days of each meeting. The minutes are to be included in the papers for the next Board meeting after each Committee meeting, assuming such Board meeting takes place at least 14 days after the Committee meeting. If the Board meeting is within 14 days of the Committee meeting, then the Committee Chairman will verbally report to the Board.

3.8 It is expected that regular reports will be received on matters to be defined by the Audit, Risk & Compliance Committee but are likely to include:

- a) Risk reports/reviews
- b) compliance reports and certifications
- c) external audit updates and reports
- d) pending litigation matters
- e) insurance reviews.

#### *Authority*

3.9 The Board authorises the Audit, Risk & Compliance Committee within the scope of its responsibilities to:

a) without management present, seek any information and explanations it requires from any employee; and all employees are directed to co-operate with any request made by:

- the Audit, Risk & Compliance Committee
- external parties
- external auditors

b) obtain outside legal or other independent professional advice having first advised the Chairman of the Board

c) ensure the attendance of external parties with relevant experience and expertise

d) review its structure and make any necessary recommendations for change to the Board.

The Board shall provide the Audit, Risk & Compliance Committee with sufficient resources to meet its obligations under this Charter.

*Signed document passing a resolution of the Committee*

- 3.10 The Committee may pass a resolution without a Committee Meeting being held if each Committee Member entitled to vote on the resolution sign a document containing they are in favour of the resolution set out in the document. Separate copies of a document may be used for signing by the Committee (a photo, scanned copy, facsimile copy or the original is acceptable) and the resolution is passed when the last Committee member signs.

*Board reporting*

- 3.11 The Company Secretary on behalf of the Audit, Risk & Compliance Committee will ensure the Minutes of Committee meetings are included in the Board papers for the information of Governors.

*This Charter*

- 3.12 The Audit, Risk & Compliance Committee will review this Charter annually to ensure it remains appropriate to the full scope of necessary oversight and make recommendations to the Board for any amendments.
- 3.13 The Audit, Risk & Compliance Committee will review its performance at least biennially.

*Main items discussed at each meeting*

- 3.14 February
- a) Review of Charter
  - b) Bi-Annual Risk Register (including WH&S) and Compliance Report
  - c) Review of Committee performance (biennially)
  - d) Review the Company's Accounting policies
  - e) Review of Non-Audit Services Policy
  - f) Auditor Engagement
  - g) Endowment Fund Reporting (With Fund Manager present)
- 3.15 May/June
- a) Endowment Fund Reporting (With Fund Manager present)
  - b) External Audit Plan
  - c) Review of Investment Policy
  - d) Significant Transactions
  - e) Matters of Interest – Year End Financial Report
- 3.17 August
- a) Full year audited financial report
  - b) Insurance
  - c) Bi-Annual Risk and Compliance Report
  - d) Endowment Fund Reporting (With Fund Manager present)
- 3.18 November
- a) Endowment Fund Reporting (With Fund Manager present)

#### **4. Related Documents**

- 4.1 Corporate Governance Charter
- 4.2 Endowment Fund Charter
- 4.3 Investment Policy