Finance, Risk and Compliance Committee Terms of Reference

1. Introduction

The purpose of the Finance, Risk and Compliance Committee (FRCC) is to assist the board of directors of the Company (Board) in fulfilling its corporate governance and oversight responsibilities by:

1.1 Monitoring and reviewing the:

i. Integrity of financial statements;
ii. Effectiveness of internal controls;
iii. Independence, objectivity and competency of internal and external auditors;
iv. Policies on risk oversight and management;
v. Execution of the insurance functions;

1.2 Overseeing and providing advice on the quality assurance systems of the company/college;

1.3 Overseeing and monitoring the WSUIC Risk Management Plan, Disaster Recovery Plan and Crisis Management Plan;

1.4 Providing advice on outcomes of company/college reports in connection with educational courses and services against the Risk Management Plan;

1.5 Monitoring long term trends in graduate outcomes and providing advice on reported outcomes; and

1.6 Undertaking a review of the Risk Appetite Statement and Risk Register every 6 months and presenting to the Board of Directors for amendment and/or approval prior to submission to Navitas as per the services agreement conditions.

2. Composition

2.1 Members

i Executive Directors are not eligible to be members of the FRCC.
ii The FRCC must have a minimum of three and maximum of five members, at least 50% of members being independent directors.
iii The members of the FRCC will be appointed and removed by the Board.
iv All members are appointed for two yearly renewable terms.
v Should a member become disqualified from membership their membership will cease forthwith.

2.2 The Board may terminate the membership of any member of the Committee without cause.

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2.3 Attendees

The following people may attend meetings of the FRCC except for those times when the FRCC determines otherwise;

i. the College Director and Principal;
ii. the Company's auditor;
iii. the Director Finance and Administration - Navitas or Nominee;
iv. the Director Financial Services – WSU or Nominee who may be a member;
v. WSUIC's Quality and Compliance Manager.

3. Expertise

3.1 Each member of the FRCC must be able to read and understand financial statements.

3.2 The FRCC must also include at least 1 member who is a qualified accountant or other financial professional with experience of financial and accounting matters.

3.3 Members of the FRCC must have an appropriate level of understanding of the principles of corporate governance, including knowledge of ASX Limited's (ASX) Corporate Governance Principles and Recommendations and TEQSA (Provider Registration Standard (PRS) 3.2).

4. Chair and Secretary

4.1 The Board will appoint an independent director as chair of the FRCC (Chair) not being the Chair of the Company except when no other independent member is available to chair the FRCC.

4.2 The Company Secretary will act as secretary of the FRCC (Secretary).

5. Meetings

5.1 Frequency

i. The FRCC will meet as frequently as required to perform its functions but must, at a minimum, meet three times a year. Meetings may be held by members communicating with each other using any technology which enables them to simultaneously hear each other and participate in discussion.

ii. The Secretary must call a meeting of the FRCC if requested to do so by any member of the FRCC.

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5.2 Agenda and Notice

i. The Governance Officer will be responsible, in conjunction with the Chair for drawing up the agenda (supported by any necessary explanatory documentation) and circulating it to FRCC members, the external auditor and other invited attendees prior to each meeting. The Secretary must notify members of the FRCC of the date, time and location of FRCC meetings as far in advance as possible, but not less than 5 working days before the meeting unless a shorter notice period is agreed by all members.

5.3 Quorum

i. A quorum for FRCC meetings will be at least 2 members, save that 1 of the members of the quorum must be an independent director.

5.4 Attendance

i. Members can agree to any meeting being held either in person, or in such other manner (using electronic or other forms of communication) as the members agree, provided that all members present, are able to communicate with all other members present, and that all papers tabled are tabled in such manner that all members have access to such papers.
ii. The FRCC may invite any person to attend part or all of any meeting of the FRCC as it considers appropriate. Voting at FRCC meetings is restricted to FRCC members. Other members of the Board have a standing invitation to attend meetings of the FRCC.

6. Powers

6.1. Access

i. The FRCC has unrestricted access to management, staff, students, internal and external auditors and all Company records for the purpose of carrying out its responsibilities under this Charter. The FRCC will meet with internal (if any) and external auditors, in the absence of management, as often as required.

6.2. Investigations

The FRCC has the power to:

i. Conduct any investigation it considers necessary;

ii. Seek explanations and additional information; and

iii. Engage any independent experts it requires to help it fulfil its duties, with costs associated with this being borne by the Company.

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7. Responsibilities

7.1. Risk Management

The FRCC's responsibilities for risk management are described in the Risk Management Policy Statement. In summary the FRCC provides the Board with advice and recommendations regarding:

i. The establishment and implementation of a risk management system and risk profile;

ii. The effectiveness of the Company's implementation of the risk management system at least once a year; and

iii. The Company's risk profile, risk appetite and risk tolerance, including unusual types of transactions and/or any potential transactions that may carry more than an acceptable degree of risk.

7.2. Financial Functions

The responsibilities of the FRCC include:

i. Reviewing financial statements for accuracy, adequacy and clarity, compliance with regulatory requirements and ensuring they reflect a true and fair view as a basis for recommendation to and adoption by the Board including, without limitation, and requiring the College Director (or equivalent) or Chief Financial Officer (or equivalent) to make a signed and written declaration that:

   a. The financial records for the financial period have been properly maintained;

   b. The financial statements and notes for the financial period comply with the relevant accounting standards;

   c. The financial statements and notes for the financial period give a fair and true view of the financial position and performance of the Company;

   d. The opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively; and

   e. Any other matters in relation to the financial statements that are materially relevant have been included.

ii. Reviewing accounting policies adopted and any changes made to them;

iii. Reviewing management processes supporting external reporting;

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iv. Discussing any significant matters arising from the audit, management judgements and accounting estimates with management and internal and external auditors;

v. Reviewing, and where necessary challenging, the actions and judgment of management in relation to all financial reports; and

For the purposes of this section 7.2, "financial period" applies to the financial statements for any financial period, not just for the financial year (i.e. it includes the financial statements for the half year and full year).

7.3. External Auditors

The responsibilities of the FRCC include:

i. Agreeing to the terms of engagement of the external auditor before the start of each audit and recommending the agreed terms of engagement to the Board;

ii. Reviewing the performance and independence of the external auditors;

iii. Reviewing procedures for the selection and appointment of external auditors and rotation of the engagement partners;

iv. Reviewing and providing oversight of external audit, making enquiries with the external auditor as to any specific points of divergence with management and examine management's responses to their findings and recommendations;

v. Ensuring that no management or other restrictions are placed on the external auditors;

vi. Determining what non-audit services are to be provided by the external auditor; and

vii. Ensuring that significant findings and recommendations from external audit reviews together with management's responses are received by the Committee and appropriately acted upon by management in a timely manner.

7.4. Insurance Functions

The responsibilities of the FRCC include:

i. Reviewing the appropriateness and adequacy of cover taken at the insurance renewal; and

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ii. Identifying the Insurable risks and recommending to the Board an insurance program to cater for those risks.

7.5. Compliance Functions

The responsibilities of the FRCC include:

i. Compilation and maintenance of a Legislative Compliance Register;

ii. Establishing systems of controls and safeguards to achieve legislative compliance; and

iii. Reporting not less than annually on the Company's compliance.

8. Reporting

8.1. . Risk Oversight and Management Policies

The FRCC must report to the Board, at the first Board meeting subsequent to each FRCC meeting, regarding the proceedings of each FRCC meeting, the outcomes of the FRCC's reviews and recommendations and any other relevant issues. Reporting must also include as appropriate:

i. An assessment of whether external reporting is in line with the information and knowledge of the FRCC and whether it is adequate for the needs of the Company's shareholders;

ii. An assessment of the management processes which support external reporting;

iii. Recommendations for the appointment or removal of an auditor;

iv. Assessment of the performance and independence of the external auditors and, given the provision by the external auditors of any non-audit services, whether the independence of the external auditors has been maintained; and

v. The results of the FRCC's review of risk management and internal compliance and control systems.

8.2. Annual Report

i. The FRCC must provide the Board with advice and recommendations regarding the appropriate material and disclosures to be included in the corporate governance section of the Company's annual report.

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9. Review of Terms of Reference

i. Finance, Risk and Compliance Committee Terms of Reference are established by the Board of Directors.

ii. Terms of Reference will be reviewed periodically.

iii. Changes made to the Terms of Reference agreed by Finance, Risk & Compliance Committee will be recommended to the Board of Directors for approval and ratification.

10. Related Documents

- **FRA 02 Governance Framework**
- **CHA 01 Board of Directors Charter**
- **TOR 03 Terms of Reference – Academic Board**
- **TOR 04 Terms of Reference - Executive Management**
- **TOR 05 Terms of Reference – Academic Quality Committee**
- **TOR 06 Terms of Reference – Appeals Committee**
- **TOR 07 Terms of Reference – Examinations Committee**

Approval and Amendment History

Approval Authority:	Western Sydney University International College Board of Directors
Policy Owners:	Western Sydney University International College Finance, Risk and Compliance Committee
Effective Date:	7 May 2024
Date for Next Review:	6 September 2026
Review Period:	2 years

Amendments

Revision Date	Version	Summary of changes
09/05/2017	1	New Terms of Reference developed
26/10/2018	1.1	Add in position of CEO, The College to attendance clause

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26/03/2021	1.2	Removed reference to Navitas TICKIT and replace it with Risk register Inclusion of Quality and Compliance Manager to the Attendees list
16/09/2022	1.3	Including 7.2 Financial functions under Committee responsibilities. Minor grammatical edits
07/03/2024	1.3	Risk and Compliance Committee's name changed to Finance, Risk and Compliance Committee
06/09/2024	1.4	Inclusion of Risk Appetite Statement in Clause 1.6 Correction of title for Director of Quality and Student Administration.

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