

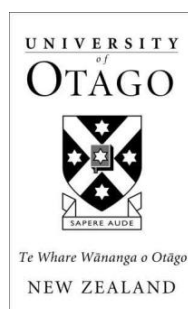
Audit and Risk Committee Part 1

Venue - Committee Room North, First Floor, Clocktower Building



19 March 2024 02:30 PM - 05:00 PM

Agenda Topic	Presenter	Page
Agenda		1
1. Committee Briefing This will take place prior to the meeting and include a Committee only session. Opening Karakia Part 1 - Open Committee		
2. Terms of Reference and Constitution 2024 To receive the Terms of Reference and Constitution for 2024.	Decision	2
3. Minutes To confirm Part 1 of the Minutes of the meeting of the Audit and Risk Committee held on 21 November 2023.	Confirmation	5
4. Exclusion of the Public To approve a motion under Section 48 of the Local Government Official Information and Meetings Act 1987, that the public be excluded from the following parts of the proceedings.	Decision	7
5. Next Meeting The Audit and Risk Committee is scheduled to meet next on 18 June 2024.		



AUDIT AND RISK COMMITTEE

Role of the Audit and Risk Committee

- The Audit and Risk Committee is a Committee of the University Council. Its role is to strengthen the University's control environment and management of risks and to assist Council to discharge its leadership and control responsibilities for financial reporting, legal compliance and risk management.

Primary Functions

- The primary functions of the Audit and Risk Committee are to promote accountability, support measures to improve management performance and internal controls, oversee and monitor the internal audit and the risk functions, oversee the integrity of the University's financial reporting systems, oversee the University's strategic risk management plan, and ensure effective liaison between senior management and the University's external auditors.
- The Audit and Risk Committee achieves these primary functions through exercise of the following responsibilities:

Governance

1. Monitor the functioning and adequacy of the University's internal control systems and processes.
2. Oversee the University's plan for the management of strategic risk.
3. Review policies related to audit and risk management.
4. Monitor compliance with the University's Fraud Policy and investigations and outcomes relating to the policy.
5. Assist in promoting a culture of compliance and take an active interest in ethical issues associated with the University's business activities.
6. Advocate for information management maturity and legal compliance across the University.

Internal Audit

1. Review reports of the Head of Internal Audit on activities undertaken by Internal Audit
2. Oversee and monitor the work of Internal Audit
3. Oversee the appointment of an external firm as a co-sourced provider of internal audit services to the University.
4. Approve the annual Internal Audit plan and monitor progress against the plan in consultation with the Vice-Chancellor.

5. Monitor action plans in respect of reviews conducted by the Internal Audit and management's responses/
6. Monitor the internal audit arrangements of all controlled entities/
7. Receive reports on special projects or investigations undertaken by Internal Audit and monitor actions arising out of the reports.

External Audit

1. Approve the University's external audit arrangements.
2. Liaise with the external auditors to consider risks and issues as part of the external audit planning process.
3. Examine issues raised by the external auditors.
4. Assess the performance of the external audit in the context of statutory obligations.
5. Monitor the external audit arrangements of all controlled entities.

Risk Management

1. Approve the University's Risk Management Framework setting out the University's expectations and internal accountabilities for the management of risk and approve material changes to the Framework.
2. Monitor the adequacy of arrangements in place to ensure that risks are effectively managed across the University.
3. Receive reports on the status of risks and issues considered to be of high risk to the reputation and operations of the University.
4. Receive and review the annual report on the University's consolidated risk profile.
5. Receive minutes and reports from meetings of the University's Health & Safety Committee.
6. Receive reports of the Animal Ethics Committee, Animal Practice and Compliance Steering Group, Human Ethics Committee, and Institutional Biological Safety Committee.
7. Review valuations for insurance purposes and approve assumptions used as provided by management as a basis for annual insurance cover. Review options for annual insurance cover as provided by management and approve.
8. Receive reports on the status of information management at the University, including the creation of the information asset register to assist with compliance opportunities, mitigate risk and cost reduction for the University.

Legal Compliance

1. Monitor the effectiveness of the University's processes for ensuring compliance with relevant laws, regulations, industry codes and organisational standards.
2. Receive reports on the outcome of the annual legal compliance survey.
3. Receive reports on legal compliance breaches, the risks of non-compliance and strategies to manage any breaches and risks effectively.

Litigation

1. Monitor any legal proceedings involving potential or contingent liability for the University.

Annual Financial Statements and Statement of Service Performance

1. Consider the form and content of the Annual Financial Statements and Statement of Service Performance and make recommendations to the Council.
2. Determine whether accounting policies adopted by the University are appropriate.

Business Continuity

1. Oversight of business continuity processes across the University and its related entities and monitoring the implementation of appropriate testing and exercise programmes.
2. Reporting at least annually to the University Council on the performance and status of business continuity processes.

Constitution

The Constitution of the Audit and Risk Committee shall be as follows:

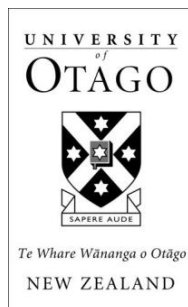
- Three lay members of the University Council, one of whom shall be appointed Convener by Council
- The Convener of the Health & Safety and Ethics Compliance Committee (lay member of Council)
- Two members appointed for their expertise in the area of financial management, audit and risk.

MEMBERSHIP

2024	Mr M A Wong (<i>Convener</i>)	Lay member of the Council
	Mr S J Higgs	Lay member of the Council
	Mr F B Barton	Convener, Health and Safety Committee
	Ms P A Oakley	Appointed by the Council
	Hon C E Curran	Lay member of the Council

In attendance

Professor H D Nicholson (Acting Vice-Chancellor)
Professor Richard Blaikie (Deputy Vice-Chancellor, Research and Enterprise)
Mr S W Willis (Chief Operating Officer)
Mr B N Trott (Chief Financial Officer)
Mr M Cartwright (Head, Risk, Assurance and Compliance)
Mr M J Harte (Director, Information Technology Services)



AUDIT & RISK COMMITTEE

Minutes of a Meeting of the Audit & Risk Committee

21 November 2023

- Present** Mr S Higgs (Acting Chair), Hon C E Curran (by videoconference), Mr F B Barton **and** Ms P A Oakley (by videoconference)
- Apologies** Mr M Wong
- In Attendance** The Vice-Chancellor (Acting), the Chief Financial Officer, Mr M Cartwright (Head of Risk, Assurance and Compliance), Mr M J Harte (Director Information Technology Services), Mr R Tomlinson (Audit NZ), Ms Jenna Hill (Audit NZ), the Registrar and Secretary, the Deputy Secretary and the Assistant Secretary to the Council.

Part 1: Open Committee

1. **Minutes** Part 1 of the minutes of the meeting of the Audit and Risk Committee held on 19 September 2023 were confirmed.

2. **Exclusion of the Public**

The Committee

APPROVED a motion, under Section 48 of the Local Government Official Information and Meetings Act 1987, that the public be excluded from the remaining parts of the proceedings of the meeting as appended to the Minutes.

2. Exclusion of the Public

The Convener moves that the public be excluded from the whole of the proceeding of this meeting/the following parts of the proceedings of this meeting, namely, —

- Item 3 Part 2 of the Minutes of the meeting of the Audit and Risk Committee held on 19 September 2023
- Item 4 Committee Work Plan and Action Follow Up
- Item 5 2023 Audit – draft plan
- Item 6 Emergency Management Policy and Plan
- Item 7 Risk, Assurance and Compliance Report
- Item 8 Cyber Security Report
- Item 9 Corporate Records Services
- Item 10 Health and Safety and Ethics Compliance Committee Minutes held on 1 September 2023.
- Item 11 Convener’s Business

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows: -

General Subject	Reason for passing this resolution	Ground under Section 48(1)(a) for the passing of this resolution
Items 3 - 11 Confidential minutes and reports	Good reason for withholding information under the Official Information Act 1987	Section 48(1)(a)(ii)

This resolution is made in reliance on Section 48(1)(a)(ii) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Sections 6, 7 and/or 9 of the Official Information Act 1982 (except Section 9(2)(g)(i)) of the Official Information Act 1982 as the case may require. The interests which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

Item 3	Pt 2 of the Minutes of the meeting of the Audit and Risk Committee held on 19 September 2023.	s9(2)(a), (i), and (k)
Item 4	Work Plan and Action Follow Up Register	s9(2)(a), (i), and (k)
Item 5	2023 Audit – draft plan Audit New	s9(2)(a), (i), and (k)
Item 6	Emergency Management Policy and Plan	s9(2)(a), (i), and (k)
Item 7	Risk, Assurance and Compliance Report	s9(2)(a), (ba)
Item 8	Cyber Security Report	s9(2)(a), (i) and (k)
Item 9	Corporate Records Services	s9(2)(a), (i), and (k)
Item 10	Health and Safety Compliance Committee Minutes held on 1 September 2023.	s9(2)(a), (ba)
Item 11	Conveners Business	s9(2)(ba)

AND THAT the Vice-Chancellor (Acting), Mr M Cartwright, Mr M Harte, Mr B N Trott, Ms J Hills and Mr R Tomlinson be permitted to remain at this meeting after the public has been excluded because of their knowledge of the matters to be discussed. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because it relates to aspects of the administration of the University of Otago for which these people are responsible, or to the auditing function for which these people are responsible. The Registrar and Secretary to the Council, the Deputy Secretary and Assistant Secretary to the Council are also permitted to remain at the meeting so as to provide secretarial support and advice.

4. Exclusion of the Public

The Convener moves that the public be excluded from the whole of the proceeding of this meeting/the following parts of the proceedings of this meeting, namely, —

- Item 5 Part 2 of the Minutes of the meeting of the Audit and Risk Committee held on 21 November 2023
- Item 6 Committee Draft Work Plan and Action Follow Up
- Item 7 Policies, Procedures and Frameworks
- Item 8 Business Continuity Management Policy and Framework
- Item 9 2023 Draft Annual Report
- Item 10 Risk, Assurance and Compliance Report
- Item 11 Cyber Security Report
- Item 12 Cyber Security Incident Response Exercise
- Item 13 Sensitive Systems Cyber Health Check
- Item 14 Generative Artificial Intelligence
- Item 15 Corporate Records Services
- Item 16 Progressive Procurement
- Item 17 Holiday Act Compliance
- Item 18 Reports from Committees
- Item 19 Health and Safety and Ethics Compliance Committee Minutes held on 24 November 2023.
- Item 20 Convener’s Business
- Item 21 Committee Only Business

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter and the specific grounds under Section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows: -

General Subject	Reason for passing this resolution	Ground under Section 48(1)(a) for the passing of this resolution
Items 5 - 21 Confidential minutes and reports	Good reason for withholding information under the Official Information Act 1987	Section 48(1)(a)(ii)

This resolution is made in reliance on Section 48(1)(a)(ii) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by Sections 6, 7 and/or 9 of the Official Information Act 1982 (except Section 9(2)(g)(i)) of the Official Information Act 1982 as the case may require. The interests which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as follows:

Item 5	Pt 2 of the Minutes of the meeting of the Audit and Risk Committee held on 19 September 2023.	ss9(2)(a), (i), and (k)
Item 6	Committee Draft Work Plan & Action Follow Up Register	ss9(2)(a), (i), and (k)
Item 7	Policies, Procedures and Frameworks	ss9(2)(a), (i), and (k)
Item 8	Business Continuity Management Policy and Framework	ss9(2)(a), (i), and (k)
Item 9	2023 Draft Annual Report	ss9(2)(a), (i), and (k)
Item 10	Risk, Assurance and Compliance Report	ss9(2)(a), (ba)
Item 11	Cyber Security Report	ss9(2)(a), (i) and (k)
Item 12	Cyber Security Incident Response Exercise	ss9(2)(a), (i) and (k)
Item 13	Sensitive Systems Cyber Health Check	ss9(2)(a), (i) and (k)
Item 14	Generative Artificial Intelligence	ss9(2)(a), (i) and (k)
Item 15	Corporate Record Services	ss9(2)(a), (i) and (k)
Item 16	Progressive Procurement	ss9(2)(a), (i) and (k)
Item 17	Holiday Act Compliance	ss9(2)(a), (i) and (k)
Item 18	Reports from Committees	ss9(2)(a), (ba)

Item 19	Health and Safety Compliance Committee Minutes held on 24 November 2023	ss9(2)(a), (ba)
Item 20	Conveners Business	ss9(2) (ba)
Item 21	Committee Only Business	ss 9(2)(a), (i), (j) and (k)

AND THAT the Vice-Chancellor (Acting), Mr S Willis, Mr B N Trott, Mr M Cartwright, Mr M Harte, Ms J Hills and Mr R Tomlinson be permitted to remain at this meeting after the public has been excluded because of their knowledge of the matters to be discussed. This knowledge, which will be of assistance in relation to the matters to be discussed, is relevant to those matters because it relates to aspects of the administration of the University of Otago for which these people are responsible, or to the auditing function for which these people are responsible. The Registrar and Secretary to the Council and the Deputy Secretary to the Council are also permitted to remain at the meeting so as to provide secretarial support and advice.