



AUDIT AND RISK MANAGEMENT COMMITTEE CHARTER 2017

*Internal Audit and Risk Management Committee,
Kabale University,*

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Kabale

1.0 INTRODUCTION

The purpose of this document is to set out the role, duties and responsibilities of the Audit and Risk Management Committee and its relationship to the Internal and External Audit functions and the Kabale University Council.

Kabale University Council shall appoint an Audit and Risk Management Committee for four years. The members of the Committee shall be appointed from among the University Council Members.

Responsibility for reliable financial reporting lies first with Kabale University Management who sets the tone and establish the financial reporting environment. The Audit and Risk Management Committee needs to understand and assess this environment so that it can exercise broad but effective oversight. This shall mean asking the right questions and expecting forthright responses. Kabale University Management shall understand their public responsibility and the complexity of their operations, and shall be willing to answer such questions.

The Universities and Other Tertiary Institutions Act 2001, as amended provides for the establishment of Audit and Risk Management Committees [S 32(3)]. In accordance with the Public Finance Management Act, 2015 Section 49, the Charter is issued to provide guidance on the scope, responsibilities and powers of Audit and Risk Management Committee. The Charter provides guidance to members of the Audit and Risk Management Committees in discharging their respective duties. It sets out the committee's objectives, authority, composition, roles and responsibilities and provides a channel of communication with the different stakeholders.

2.0 VISION STATEMENT

To achieve a high level of integrity and competence, and able to work professionally in an objective manner

3.0 AUDIT AND RISK MANAGEMENT COMMITTEE MISSION

To assist the University Council to perform its supervisory role, and to support the University in strengthening the practices of good corporate governance and internal control to achieve the University's stated objectives.

4.0 OBJECTIVES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

The objectives of the Audit and Risk Management Committee is to assist Council in discharging its duties relating to:

- 4.1 Safeguarding of University assets
- 4.2 Evaluate and manage risk
- 4.3 Operate of adequate financial and administration systems including internal control;
- 4.4 Ensure accurate reporting to stakeholders and provision of financial statements in compliance with all applicable legal requirements and accounting standards;
- 4.5 Ensure the the University Management complies with relevant laws, regulations and procedures.
- 4.6 Provide a forum for discussing business risk and control issues and for developing relevant recommendations for consideration by the Kabale University Council.
- 4.7 Do oversight work on the activities of the Kabale University Internal Audit function, currently provided by appointed Internal Audit Employees and the External Audit function.

- 4.8 Act as a channel of communication between the University Council and its management and the Internal and External Auditors.
- 4.9 Act as an advise Committee to the University Council.

5.0 AUTHORITY

5.1 The Audit and Risk Management Committee shall draw its authority from the Kabale University Council and the Public Finance Management Act, 2015 and the Universities and Other Tertiary Institutions Act, 2001 as amended.

5.2 The Audit and Risk Management Committee shall in discharge of its duties and responsibilities have such powers to:

5.2.1 Seek information from Accounting Officer or any other public officer as circumstances may deem fit. Such information shall be submitted in a timely manner and in such form as the Committee may specify; and

5.2.2 Obtain professional advice from relevant government organs and co opt professionals for technical guidance.

5.3 Under no circumstances shall the Audit and Risk Management Committee have executive powers with regard to its findings and recommendations on any operational aspects of the management and control of any Department or Unit.

6.0 APPOINTMENT, MEMBERSHIP AND COMPETENCY REQUIREMENTS

6.1 The University Council shall establish and maintain an Audit and Risk Management Committee and shall be constituted with powers and duties as may be determined by the University Council.

6.2 The Audit and Risk Management Committee shall comprise a Chairperson, and at least four other members all appointed by the University Council.

6.3 University Council shall appoint the Chairperson of the Audit and Risk Management Committee.

6.4 University Council shall have powers to remove any member of the Audit and Risk Management Committee for;

6.4.1 Inability to perform the functions of his/her office arising from infirmity of body or mind

6.4.2 Misbehaviour or misconduct

6.4.3 Incompetence

6.4.4 Not attending Audit and Risk Management Committee meetings for three consecutive sittings without a justified reason.

6.4.5 Declaration of bankrupt by a competent authority.

6.5 Every member including the Chairperson of the Audit and Risk Management Committee shall be:

6.5.1 Independent of Kabale University Management

6.5.2 Of unquestionable integrity;

6.5.3 Of sound independent mind;

6.5.4 Familiar and knowledgeable with the operations of Kabale University

6.5.5 Aware of the interests of all stakeholders;

6.6 Audit and Risk Management Committee members should collectively possess knowledge, skills and experience in accounting, risk management, audit and legal issues relevant to Kabale University.

6.7 At least three members of the Audit and Risk Management committee shall form a quorum at any meeting of the committee.

7.0 RESPONSIBILITIES AND DUTIES OF THE AUDIT AND RISK MANAGEMENT COMMITTEE

7.1 Responsibilities and duties of the Audit and Risk Management Committee shall include the following;

- (i) To formulate a policy framework for risk management based on the University Vision, Mission and Strategic Plan, as well as best practices
- (ii) To receive and consider internal audit reports and work plans for submission to Council
- (iii) To identify University External Auditors for appointment by Council
- (iv) To receive and consider Annual Audited University Accounts and report to Council

- (v) To develop and report on risk management policies, procedures, internal control systems, risk management functions and programs, for effective management of risks.
- (vi) To continuously assess and monitor risk management functions, with a focus on risk identification and mitigation strategies
- (vii) To formulate appropriate organizational structures and ensure adequate staff capacity of the Internal Audit Unit
- (viii) To set up monitoring performance management system.
- (ix) To review and make bi-annual recommendations to Council on risk management policies, procedures, and mitigation strategies
- (x) Such other functions as may be assigned to it by Kabale University Council.

7.1.2 The Audit and Risk Management Committee, with specific regard to the following, shall;

7.1.3 Based on the Internal audit reports, evaluate whether management Kabale University is setting the appropriate “control culture” by communicating the importance of internal control and the management of risks and ensuring that all employees have an understanding of their roles and responsibilities.

7.2.2 Consider how management is held accountable for the security of the computerized systems and the contingency plans for processing financial information.

7.2.3 Review and report whether or not management has implemented internal control recommendations made by internal auditors and the Office of the Auditor General.

7.2.4 Review the activities and organizational structure of the Internal Audit Function and ensure that no unjustified restrictions or limitations are placed on the internal auditors.

7.2.5 Review the effectiveness of the Internal Audit Function.

7.2.6 Ensure that significant findings and recommendations made by the internal auditors are received, discussed, and action taken on a timely basis.

8.0 REPORTING LINES AND MEETING PROCEDURES

8.1 The Audit and Risk Management Committee through its Chairperson shall report to the University Council on a quarterly basis about its operations and activities during the period.

8.2 Members to the Audit and Risk Management Committee shall meet quarterly

8.3 The Audit and Risk Management Committee shall produce quarterly reports that shall include summary of key audit issues and actions taken to date, the minutes of the Audit and Risk Management Committee and any other issues the University Council may require.

8.4 The Officer in Charge of Internal Audit shall attend all meetings as an ex-officio. In addition, the committee may request any other persons to attend the meetings as and when the need arises to participate in the discussions on the relevant agenda item(s).

8.5 The agenda and any other discussion papers shall be circulated to members of the Audit and Risk Management Committee and those invited to attend the meeting within a period of at least one week to the scheduled meeting.

8.6 Any person who is going to attend a meeting may, not in less than 3 days prior to the meeting request the secretariat through the Chair, to add such items as he/she deems necessary to the agenda.

8.7 The Minutes arising from the meeting, together with the action plan shall be circulated to the members of the Audit and Risk Management Committee and copied to the Accounting Officer.

8.8 Audit and Risk Management Committee decisions shall be taken by means of reaching a consensus and where not possible, by a majority vote of members present. When using a vote, and in case of a tie, the chairperson shall have a second or casting vote.

9.0 RELATIONSHIP WITH THE RELEVANT AUTHORITIES

9.1 The Audit and Risk Management Committee shall on recommendation by Council communicate with the Internal Auditor General and Office of the Auditor General prior to, during and after audit to cover the following:

9.1.1 Audit planning meeting to discuss: - audit timetable, approach to work, and areas of management concern.

9.1.2 Ensure that significant Issues and recommendations made to or by the Internal Auditor General and Office of the Auditor General are received and discussed on a timely basis.

9.1.3 Ensure that the University management responds to the recommendations by the Internal Auditor General, Office of the Auditor General and the Public Accounts Committee (PAC).

10.0 SCOPE OF INTERNAL AUDIT / ASSURANCE

10.1 The internal audit/assurance shall encompass the examination and evaluation of the adequacy and the effectiveness of the Kabale University's risk management, internal control and governance processes and the quality of performance in carrying out assigned responsibilities.

10.2 Internal audit activity scope is prescribed in the Internal Audit Charter, but generally covers the evaluation of;

- i. Reliability and integrity of information.
- ii. Compliance with existing policies, plans, procedures, laws, regulations and contracts.
- iii. Safeguarding of assets
- iv. Risk management processes
- v. Economical and efficient use of resources.
- vi. Accomplishment of established objectives and goals.

11.0 SECRETARIAT

11.1 Management is responsible for making available the services of the secretary for drawing up the agenda and keeping the minutes of the meeting of the Audit and Risk Management Committee. The Audit and Risk Management Committee may however delegate this service to the Officer in Charge of Internal Audit.

12.0 ASSESSMENT ARRANGEMENTS

12.1 The chair of the Audit and Risk Management Committee shall take the lead in initiating the appraisal of the performance of the committee on a self assessment basis or otherwise determined by the University Council with appropriate input from the Accounting Officer and internal audit and other stakeholders at least once during the term of the Audit and Risk Management Committee.

13.0 REVIEW OF THE CHARTER

13.1 The University Council may review the Charter as and when need arises and shall make directives to the Audit and Risk Management Committee on any changes deemed necessary for the proper functioning of the Committee.

14.0 CONFLICT OF INTEREST

14.1 Each member of the committee shall take personal responsibility to proactively declare any conflict of interest arising out of the business on the agenda or from changes in the member's personal circumstances. The committee shall determine the appropriate course of action with the member. If it is the chair that has a conflict of interest, the committee shall lead in determining the course of action.