



Audit and Risk Committee Terms of Reference

Audit and Risk Committee is responsible for giving the Governing Body assurance that the University has governance processes in place to ensure that the University meets its corporate objectives. This overall purpose involves seeking assurances about the internal control mechanisms in existence, the underlying data decisions are based on, and challenging the use of resources to ensure that they are used as effectively as possible. More specifically, the Audit and Risk Committee is expected to undertake the following:

Internal control

1. Review the internal financial control systems
2. Review the procedures for detecting fraud and ensure that staff are able to raise concerns about possible improprieties
3. Review management's and internal auditor's reports on the effectiveness of the systems for internal financial control, financial reporting, risk management and monitor the integrity of internal financial controls
4. Prepare an annual report
5. Ensure that the information and data which the University provides for external bodies is accurate
6. Conduct an annual review of the declarations of interest, any related party transactions and the register of gifts reported by the members of the Governing Council and the members of the Corporate Management Team

Risk Management

1. Review the risk management system

Internal Audit

1. Appoint the internal auditors and determine the nature and scope of their work. (And if necessary, dismiss the internal auditors)
2. Approve the annual internal audit programme recommended by the Executive
3. Receive reports on the results of internal audit work on a periodic basis and review and monitor management's responsiveness to the internal audit findings and recommendations
4. Monitor and assess the role and effectiveness of the internal auditors
5. Consider and approve an annual report prepared by the internal auditors

External audit

1. Consider and agree the year-end accounts for the University and the University Group
2. Recommend to the Governing Council the appointment, reappointment [or removal] of the external auditors for approval at the Annual General meeting
3. Recommend the terms of the remuneration of the external auditors
4. Monitor the external auditor's independence, objectivity and effectiveness
5. Develop a policy on the engagement of the external auditor to supply non-audit services which ensures that the independence and objectivity of the external auditors is not impaired
6. Review with the external auditors the findings of their work including any major issues that have arisen and been resolved during the course of the audit and those issues which are unresolved; key accounting and audit judgements; and the levels of errors identified during the audit. The Committee should obtain explanations from management and from external auditors, where necessary, as to why errors might remain unadjusted

Best Value

1. Commission and examine reports on the relative efficiency in the management use of University resource in carrying out its activities and responsibilities. Including comparison with other institutions

Non-financial quality management

1. Have oversight of the University's Academic Quality measurement processes
2. Receive details annually of the level of complaints, including whistleblowing incidents
3. Ensure compliance with the HEFCE Audit Code of Practice, FE funding body audit requirements and with national standards of audit practice
4. Undertake an annual assessment of the effectiveness of the external auditors and make any recommendations, as necessary, to the Governing Council
5. Consider any periodic reports of audits conducted by HEFCE auditors
6. Consider the implications of any relevant reports from the National Audit Office and HEFCE

Composition

Audit and Risk Committee comprises at least four independent governors none of whom shall serve as a member of the Strategy, Finance and Planning Committee. At least one member of the Committee should have recent and relevant financial experience. The composition also permits a Union of Students' Sabbatical Officer member of the Governing Council.

Officers in attendance and quorum

The Vice-Chancellor and the Finance Director attend. The Vice-Chancellor may also ask other senior managers to be in attendance subject to the agreement of the Chair. Representatives of the Internal and External Audit Services also attend the meetings. Quorum is two members present. The Audit and Risk Committee is expected to meet four

times each year. The internal or external auditors may request an extraordinary meeting if they consider it necessary.

Annual meeting with the auditors

The Audit and Risk Committee should meet with the internal and external auditors at least once each year without any members of the Executive or the Clerk, being present.

The Annual Report of Audit and Risk Committee

The Committee is required to submit an Annual Report to Governing Council in the autumn following the audit of the Annual Accounts. The report must include a statement of assurance regarding management effectiveness and the accuracy of information provided for external funding bodies. The approved report is sent to the HEFCE together with the Annual Accounts and any further documentation required by HEFCE.

The authority to seek information

The Audit and Risk Committee is authorised by the Governing Council to seek any information that it requires from any employee. All employees are expected to co-operate with any request made by the Committee. In consultation with the Chair of Governing Council or the Clerk, the Committee may ask non-members with relevant expertise and responsibilities to attend specific meetings.

The Committee is also authorised by the Governing Council to obtain external legal or independent professional advice. External advisors may also attend meetings of the Committee if required. Any prospective expenditure should have the prior approval of the Chairman of the Governing Council to the effect that the expenditure is both reasonable and acceptable.

Schedule of meeting dates

2019/20

Thursday 26 March 2020, 3.30pm

Tuesday 23 June 2020, 3.30pm

2020/21 – to be confirmed

Thursday 22 October 2020, 3.30pm

Thursday 14 January 2021, 3.30pm

Thursday 25 March 2021, 3.30pm

Tuesday 22 June, 3.30pm