

AUDIT COMMITTEE

Terms of Reference 2021/22

The Audit Committee is a committee of the Court of Governors.

The purpose of the Committee is to examine risk management, control and governance and to provide its opinion on the adequacy and effectiveness of the institution's risk management, control and governance arrangements; processes for promoting value for money through economy, efficiency and effectiveness; and the management and quality assurance of data.

Specifically, the Committee will:

1. Advise the Court of Governors on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of external auditors;
2. Discuss with the external auditors before the audit commences the nature and scope of the audit;
3. Discuss with the external auditors any problems and reservations arising from the interim and final external audits, including a review of the management letter, and any other matters the external auditors may wish to discuss (in the absence of management where necessary);
4. Consider and advise the Court of Governors on the appointment and terms of engagement of the internal audit service (and the head of internal audit if applicable), the audit fee, the provision of any non-audit services by the internal auditors, and any questions of resignation or dismissal of the internal auditors;
5. Review the internal auditors' audit risk assessment, strategy and programme; consider the major findings of internal audit investigations and management's response; and promote co-ordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are enough to meet the institution's needs (or make a recommendation to the Court of Governors as appropriate);
6. Keep under review the effectiveness of the risk management, culture, control and governance arrangements and review the external auditor's management letter, the internal auditor's annual report and management responses;
7. Monitor the implementation of agreed audit-based recommendations from whatever source;
8. Ensure that all significant losses have been thoroughly investigated and that the internal and external auditors, and where appropriate the Office for Students (OfS), have been informed;
9. Oversee the institution's policy on fraud and irregularity, including being notified of any action taken under that policy;
10. Satisfy itself that appropriate arrangements are in place to ensure the sustainability of the institution and to promote economy, efficiency and effectiveness;
11. Satisfy itself that effective arrangements are in place to ensure appropriate and accurate data returns are made to the OfS and other external stakeholders and regulatory bodies, including being notified of any requests for information as specified by the OfS/designated data body;
12. Satisfy itself that effective arrangements are in place to ensure appropriate and accurate equality, diversity and inclusion data reports are submitted to the Court of Governors, the OfS and other regulatory bodies;
13. Receive and consider any relevant reports from the National Audit Office, the OfS, and other organisations;

14. Monitor annually the performance and effectiveness of external and internal auditors, including any matters affecting their objectivity, and make recommendations to the Court of Governors concerning their re-appointment, where appropriate.
15. Monitor other relevant sources of assurance, for example other external reviews;
16. Consider elements of the annual financial statements in the presence of the external auditors, including the auditors' formal opinion, the statement of members' responsibilities and the statement of internal control, in accordance with the OfS accounts directions;
17. Consider, and where appropriate approve, proposals referred by the Partnership Scrutiny Panel for new and continuing partnerships;
18. Prepare an annual report on the year's business for the governing body, giving Committee's opinion on the adequacy and effectiveness of the institution's arrangements for risk management, control and governance and value for money, and – having confirmed this with the internal and external auditors - report that the effectiveness of the internal control system has been reviewed;
19. In the event of the merger or dissolution of the institution, ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

Membership

At least four independent governors

Co-opted non-governor members with particular expertise (as appropriate)

In attendance

University Secretary and Chief Operating Officer

Director of Finance

Other University colleagues may attend by invitation of the Chair

Secretariat

Clerk to the Court (or nominee)

Quorum

A quorum of the Committee shall comprise two independent members.

Meetings

The Committee usually meets five times a year. The work of the Committee may be conducted at additional meetings called by the Chair, outside of meetings by means of electronic communication at the request of the Chair, or by Chair's action.