AUDIT COMMITTEE

Terms of Reference 2019-20

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 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 if necessary with the external auditors before the audit commences the nature and scope of the audit;

3. Discuss any problems and reservations arising from the external audit and any matters the auditors may wish to discuss (in the absence of management where necessary);

4. Advise on the criteria for selection, and the appointment of, an internal audit service (and head of internal audit if applicable);

5. Review the internal auditors’ audit risk assessment, internal audit strategy and operational plan; to 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 sufficient to meet the institution’s needs (or make a recommendation to the governing body as appropriate);

6. Monitor and advise on the effectiveness of the institution's internal control systems, risk management and governance arrangements;

7. Consider external audit reports and management letters and to monitor annually or more frequently if necessary the implementation of approved recommendations relating both to internal audit reports and external audit reports and management letters;

8. Ensure that all significant losses have been properly 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 promote economy, efficiency and effectiveness;

11. Consider ways by which an appropriate level of financial understanding and responsibility may be promoted across the University;

12. Receive and consider any relevant reports from the National Audit Office, OfS, or other organisations;

13. Monitor annually the performance and effectiveness of external and internal auditors, and to make recommendations to the governing body concerning their re-appointment, where appropriate.
14. Receive the full annual financial statements and, in the presence of the external auditor, give particular consideration to the auditor’s formal opinion, the statement of members’ responsibilities and the statement of internal control plus any relevant issues raised in the external auditor’s management letter;

15. Receive assurances on the quality of data submitted to the OfS and other regulatory bodies, and to oversee the institution’s provision of information to the OfS and the designated data body, including being notified of any requests for information as specified by the OfS/designated data body;

16. Consider, and where appropriate approve, proposals referred by the Partnership Scrutiny Panel for new and continuing partnerships.

17. 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;

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.