

Audit and Risk Committee¹

2024-25

Key Role

To provide oversight of the University's risk management, control and governance arrangements. To seek assurance and satisfy itself that mechanisms exist for economy, efficiency and effectiveness in the University's activities. To advise Council on the University's internal and external audit arrangements and Financial Reporting matters. To seek assurance on a continuous basis on matters within ARC's remit, and following Committee scrutiny to provide Council with assurance and recommendations.

The Committee is authorised by the governing body to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to cooperate with requests made by the Committee. The Committee is authorised by the governing body to obtain outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Vice-Chancellor and/or Chair of the governing body.

Terms of Reference

Delegated Powers

- (a) to approve the fees for both the external and internal auditors
- (b) to agree, with the auditors, the nature and scope of the external audit including approval of the annual programme of work and all relevant reports from the external auditors and others authorised to audit the University's accounts (e.g. the National Audit Office and the Office for Students "OfS"), and to consider the response to any reports and management letters.
- (c) to approve any non-audit work undertaken by the auditors in line with the relevant Policy .

Audit matters

- (d) to recommend to Council the appointment of the external and internal auditors.
- (e) To follow up progress of implementation of recommendations from the external and internal auditors.
- (f) to recommend Financial Statements/Reporting to Council assuring Council that they are in accordance with the Office for Students Accounts Direction and that the accounting policies and judgments are appropriate.
- (g) to recommend the Letter of Representation to Council.

Internal Controls

- h) to seek assurance from the Executive on a continuous basis and subsequently provide assurance to Council on the effectiveness of the internal control systems of the University including those relating to academic governance.

¹ ToR updated and approved by Council in November 2019 (see paper C/247/12 for tracked changes)

- (i) to review the scope of internal audit, including planning, considering reports and management responses and promoting co-ordination between the internal and external auditors.
- (j) to recommend to Council the University's Financial Regulations and Procedures.
- (k) to monitor the performance and effectiveness of internal and external audit.

Risk Management

- (l) to recommend and monitor the appropriateness, performance and effectiveness of the University's Risk Management environment as set out in the key role above.
- (m) to review on an annual basis the Executive's Statement of Risk Appetite and Tolerance and recommend this to Council for approval.

Efficiency and Effectiveness

- (n) to seek assurance and satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness in relation to Value for Money.

Fraud and whistleblowing

- (o) to seek assurance and satisfy itself that appropriate arrangements are in place regarding the University's policy on fraud and irregularity and procedure on whistleblowing, including monitoring any actions taken under them.

Key policies and procedures

- (p) to approve or recommend to Council as appropriate and in line with its delegated authority policies and procedures in relation to key regulatory / legislative responsibilities such as data protection, anti-bribery, whistleblowing, fraud, information security, Competition and Markets Authority "CMA" and United Kingdom Visas and Immigration "UKVI".

Annual Report

- (q) to approve an Annual Report to Council recording the Committee's work over the preceding financial year and setting out its assurance opinions on the adequacy and effectiveness of the University's arrangements for: risk management; internal controls; governance; economy, efficiency and effectiveness; and the management and quality assurance of data submitted to the Higher Education Statistics Agency "HESA", Office for Students and other funding bodies.

Compliance and Assurance

- (r) To seek assurances from the Executive in respect of compliance with the law, OfS and other regulators of the University.
- (s) To receive timely reports from the Executive on whistleblowing, fraud, litigation, serious incidents, OfS reportable events or near misses.
- (t) To review reports and seek assurances from the Executive in respect of Health & Safety.
- (u) To seek annual assurances and report(s) from Senate in respect of academic quality and make recommendations to Council.

Self-effectiveness

- (v) to regularly review its own effectiveness and implement any recommended changes.

Composition

Membership:

- Chair (appointed by Council from among the independent members of Council)
- Four independent members of Council.
- The Committee may co-opt up to two other independent members (who will have full membership rights) who must have financial, accounting or audit experience (or any other such specialist skills as the Committee requires) who need not be members of Council, for a period to be recommended by the Committee
- One staff member of Council, who must not have executive authority (to be appointed by the Chair of Council in discussion with the Chair of ARC and the Vice-Chancellor)

Independent members of Audit and Risk Committee may not be members of Strategic Performance and Resources Committee.

In attendance:

- Vice-Chancellor (for the annual meeting required to review the annual financial statements, and for other meetings if required)
- Provost
- Chief Operating Officer
- Chief Financial Officer
- General Counsel and Director of Governance and Compliance
- Internal auditor representative(s)
- External auditor representative(s)

The Committee cannot further delegate its responsibilities as set out above.

Chair of Council has attendance rights and will receive papers for information

The Committee has the power to obtain external legal or other independent professional advice and require the attendance of staff/students when necessary.

Committee Management

Secretary provided through Governance Office

Quorum

Three members

Frequency of meetings

Four times per year (including two meetings in the autumn cycle). Additional meetings can be arranged at the request of the Chair.

Reports to

Council