

Audit Committee Terms of Reference And Composition

The Terms of Reference and composition of Audit Committee, as agreed at Council on 8 July 2011, are set out below. **Suggested amendments from the November meeting are in bold.**

(1) *Terms of Reference:*

Governance

- (a) to monitor and keep under review the effectiveness of Council and of the University's governance arrangements.

Accounting Integrity

- (b) to recommend to Council the appointment of the external and internal auditors;
- (c) to agree, with the auditors, the nature and scope of the external audit 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 HEFCE audit service), and to consider the response to any reports and management letters;
- (d) to recommend the Financial Statements to Council.

Internal Controls

- (e) to provide assurance to Council on the effectiveness of the internal control systems of the University;
- (new) to recommend internal and external audit providers for Council's approval after periodic market testing and ensure that the independence of these providers is not compromised by other assignments**
- (f) to review the scope of internal audit, including planning, considering reports and management responses and promoting co-ordination between the internal and external auditors; **members of the Committee should periodically meet internal and external auditors separately from management;**
- (g) to recommend the University's Financial Regulations and Procedures;
- (h) to monitor the performance and effectiveness of internal audit.

Risk Management

- (i) to advise Council on the effectiveness of risk management.

Efficiency and Effectiveness

- (j) to ensure that satisfactory arrangements are in place to promote economy, efficiency and effectiveness in relation to Value for Money.

Fraud and Whistleblowing

- (k) to oversee the University's policy on fraud and irregularity and procedure on whistle blowing, including monitoring any actions taken under them.

Annual Report

- (l) 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 HESA, HEFCE and other funding bodies.

The Committee may delegate authority to give effect to any decision or policy within its competence to its Chair, other independent members of Council or members of staff, in accordance with Statute XVI.3 and XVI.4.

(2) *Composition:*

Chair appointed by Council from among the independent members of Council who are not members of Finance and Investments Committee; Two independent members of Council who are not members of Finance and Investments Committee.

The Committee may co-opt up to two other independent members (who will have full membership rights) with financial, accounting or audit experience who need not be members of Council and must not be members of Finance and Investments Committee.

In attendance: Deputy Vice-Chancellor; Registrar & Secretary; Director of Finance; Head of Corporate Accounting Services; Deputy Director of Finance; Internal auditor representative(s); External auditor representative(s); Head of Procurement; Academic Secretary.

The quorum for the Audit Committee shall be two members.

(3) *Reports to:* Council.

Angela Pater
Deputy Academic Secretary
November 2011