

## **Risk and Audit Committee**

### **Terms of Reference**

1. To advise the Board of Governors on the appointment of the external and the internal auditors, their audit fees, the provision of any non-audit services by either of these parties, and any questions of resignation or dismissal of either.
2. To discuss, if necessary, the nature and scope of the audit with the external auditors, prior to it commencing. To discuss with the external auditors any problems and reservations arising from the final audit findings report and other audits undertaken, including a review of the management letter incorporating management responses, and any other matters the external auditors may wish to discuss (where necessary, in the absence of management).
3. To review the internal auditors' audit risk assessment, strategy and programme; consider the major findings of internal audit investigations and management responses and to promote co-ordination between the internal and external auditors. The Committee will ensure that resources made available for internal audit are enough to meet the University's needs or otherwise make a recommendation to the Board of Governors as appropriate.
4. To monitor the University's implementation of the agreed audit-based recommendations.
5. To review the audit aspects of the draft annual Financial Statements. These aspects will include the external audit opinion, the statement of members' responsibilities, the statement of internal control and any relevant issue raised in the external auditors' management letter, in accordance with OfS' accounts directions. The Committee should, where appropriate, confirm with the internal and external auditors that the effectiveness of the internal control system has been reviewed, and comment on this in its annual report to the Board of Governors.
6. To ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the OfS accounting officer, have been informed.
7. To monitor annually the performance and effectiveness of external and internal auditors, including any matters affecting their objectivity, and to make recommendations to the Board of Governors concerning their re-appointment or otherwise.
8. To exercise oversight of the University's risk management strategy, including academic risk management, control and governance arrangements, including compliance with the legal and regulatory framework which the University operates within, and to give assurance to the Board of Governors of its effectiveness.
9. To monitor reportable events, as defined by the OfS, that 'could materially affect or materially effects the provider's legal form of business model and/or its willingness or ability to comply with its conditions of registration.'
10. To satisfy itself that the University's policies and positions on ethical and other behaviours, including health and safety, whistleblowing, anti-bribery, data protection, fraud and irregularity are followed, including being notified of any action taken under these.

11. To satisfy itself that suitable arrangements are in place to ensure University compliance with the Prevent Duty and to report accordingly to the Board of Governors in that an annual statement can be submitted to OfS.
12. To satisfy itself that suitable arrangements are in place to promote economy, efficiency and effectiveness. This includes consideration of arrangements that:
  - a) Support the culture and behaviour that is prevalent within the institution;
  - b) Ensure the effective management of conflicts of interest; and
  - c) Enable the appointment of 'fit and proper persons' to the governing body and senior executive positions
13. To satisfy itself that effective arrangements are in place to ensure appropriate and accurate data returns are made to external stakeholders and regulatory bodies.
14. To receive any relevant reports from the National Audit Office, OfS and other organisations.
15. To submit an annual report for approval addressed to the Board of Governors and the Vice-Chancellor, summarising committee activity for the year. It will give the Committee's opinion on the adequacy and effectiveness of the University's arrangements for:
  - a) Risk management, control and governance (the risk management element includes the accuracy of the statement of internal control included with the annual statement of accounts);
  - b) Economy, efficiency and effectiveness (value for money);
  - c) The management and quality assurance of data, including academic data reporting, provided to the OfS, HESA, Student Loans Company, and other funding bodies.The opinion should be based on the information presented to the Committee. The Risk and Audit Committee annual report should normally be submitted to the Board of Governors before the members' responsibility statement in the annual financial statements is signed.
16. In the event of the merger or dissolution of the University, the Risk and Audit Committee shall ensure that the necessary actions are completed, including arrangements for a final set of Financial Statements to be completed and signed.
17. The Committee is authorised by the Board of Governors 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 co-operate with any request made by the Committee.
18. The Committee is authorised 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 Board of Governors. However, it may not incur direct expenditure in this respect of more than £5,000 without the prior approval of the Board of Governors.

#### **Frequency of Meetings**

Three times per academic year

#### **Reporting Line**

Board of Governors

## **Current Sub-Committees**

None

## **Membership**

### *Appointed Members<sup>1</sup>*

Four external members from the Governing Body<sup>2</sup>, with one member to appointed Chair. At least one member should have relevant experience in finance, accounting or auditing.

### *Co-opted Members*

The Committee may co-opt external members with relevant expertise, on the recommendation of the Nominations Committee. External co-opted members of the Committee shall be full members of the Committee.

### *Terms of Office*

Governor members shall be appointed for three years, and they shall be eligible for re-appointment. Non-Governor co-opted members shall be appointed for three years and shall be eligible for re-appointment.

### *Officers in Attendance*

The Vice-Chancellor, the Chief Operating Officer, and the Director of Finance and Planning will attend meetings of the Committee.

Attendees will be entitled to speak at meetings of the Committee but will not be eligible to vote.

## **Auditors**

Representatives of the Internal Auditors and the External Auditors will attend meetings where business relevant to them is to be discussed.

Committee members shall be entitled to meet with the Internal Auditors and the External Auditors without any University Officers present. The external auditors or the head of internal audit may request a meeting if they consider that one is necessary. The time and place of meetings shall be arranged by the Secretary in consultation with the Chair.

## **Meeting Procedures**

### **Agenda**

The agenda shall be circulated to members at least one week prior to meetings, except in the case of emergency meetings. Members shall be entitled to submit relevant agenda items to the Chair for inclusion in the agenda.

To aid in deliberations, the Committee members will receive for information the papers from the previous Standing Committee.

### **Quorum**

There shall be a quorum when two members are present at a meeting.

### **Minutes**

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<sup>1</sup> No appointed member of the Risk and Audit Committee may also be a member of the Finance and Resources Committee, unless specifically authorised by the Office for Students (OfS).

<sup>2</sup> The Chair of the Governing Body should not be a member of the Risk and Audit Committee.

Minutes shall be kept of the proceedings of all meetings of the Committee and the Committee Chair will present an update to the next meeting of the Board of Governors. Minutes are available to all Governors on request. Minutes will be made available upon request to non-Governors, subject to compliance with privacy regulations and consultation with the Committee Chair.

**Secretary**

The Clerk to the Board of Governors, or a nominee appointed by the Board of Governors, shall act as Secretary to the Committee.

**Attendance of Advisers/University Officers**

The Chair shall be entitled to invite to a meeting a person or persons to act in an advisory capacity. The Chair may call University Officers to attend to provide information or explanation in respect of matters under discussion. If a University Officer is required to attend, the request shall be directed through the Vice-Chancellor.

**Amendments**

Amendments to these Terms of Reference and Constitution may be proposed by the Committee for approval at a duly constituted meeting of the Board of Governors.