

TERMS OF REFERENCE**AUTHORITY**

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.

The Committee is authorised by the Board of Governors 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 designated officer and/or chairman of the Board of Governors. However, it may not incur direct expenditure in this respect in excess of £10,000, without the prior approval of the Board of Governors.

The Committee will 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. 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 governing body.

DUTIES

The overall purpose of the Committee is to provide assurances to the Board of Governors that the University has adequate financial and other management controls in place; that the University is achieving value for money in its activities; and is exercising adequate control of risks through the active planning, management and assessment of risk in relation to its activities.

Within this overall context specific duties of the Committee are:

- a. To advise the Board of Governors on the appointment of the external auditor, the audit fee, the provision of any non-audit services by the external auditor and any questions of resignation or dismissal of the external auditor.
- b. To discuss if necessary with the external auditor before the audit commences the nature and scope of the audit.
- c. To discuss with the external auditors problems and reservations arising from the interim and final audits, including a review of the management letter incorporating management responses, and any matters the auditor may wish to discuss (in the absence of management where necessary).
- d. To consider and advise the Board of Governors on the appointment and terms of engagement of the internal audit service (and 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.

- e. To review the internal auditors' audit needs assessment and the audit plan, consider 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 Board of Governors as appropriate).
- f. To keep under review the effectiveness of the risk management, control and governance arrangements, and in particular review the external auditor's management letter, the internal auditors' annual report, and management responses.
- g. With respect to risk:
 - to consider the Corporate Risk Register (CRR) and the Assurance Framework, and to provide assurance to the Board of Governors that the executive's assessment of key strategic risks is appropriate and in line with Board's appetite for risk;
 - to receive presentations on the University's significant strategic risks and their management.
- h. To monitor the implementation of agreed audit-based recommendations, from whatever source.
- i. To ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the Office for Students' Accounting Officer, have been informed.
- j. To oversee the institution's policy on fraud and irregularity, including being notified of any action taken under the policy.
- k. To oversee the institution's policy on public interest disclosure, including being notified of any action taken under the policy.
- l. To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.
- m. To receive any relevant reports from the National Audit Office, the Office for Students and other organisations.
- n. To monitor 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, where appropriate.
- o. To consider elements of the annual financial statements in the presence of the external auditor, including the auditor's formal opinion, the statement of members' responsibilities and the statement of internal control, in accordance with Office for Students' Accounts Directions.
- p. In the event of a merger or dissolution of the institution, to ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

REPORTING PROCEDURES

The minutes of meetings of the Committee will be circulated to all members of the Board of Governors. The Chair of the Audit and Risk Committee will report to meetings of the Board on the work of the Committee (as appropriate).

The Committee will prepare an annual report covering the institution's financial year and any significant issues up to the date of preparing the report. The report will be addressed to the Board of Governors and designated officer, summarising the activity for the year. It will give the Committee's opinion on the adequacy and effectiveness of the institution's arrangements for the following:

- 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);
- economy, efficiency and effectiveness (value for money); and
- management and quality assurance of data submitted to Higher Education Statistics Agency (HESA), the Student Loan Company, the Office for Students, Research England and other bodies.

This opinion should be based on the information presented to the Committee. The Committee's annual report should normally be submitted to the Board of Governors before the members' responsibility statement in the annual financial statements is signed.

MEMBERSHIP

The Committee and its chair shall be appointed by the Board of Governors, from among its own members, and must consist of members with no executive responsibility for the management of the institution. The chair of the Board of Governors should not be a member of the Committee. Members should not have significant interests in the institution.

At least one member should have recent and relevant experience in finance, accounting or auditing. The Committee may, if it considers it necessary or desirable, co-opt members with particular expertise. No member of the Committee may also be a member of the Finance and Employment Committee, unless the Board of Governors determines that cross representation involving one member is essential. Where this decision is taken the Board of Governors must make an explicit recorded resolution which sets out the rationale for the decision - but it is not an option for the chair of either committee or the chair of the Board of Governors.

The Chief Finance and Planning Officer, the head of internal audit, and a representative of the external auditors shall normally attend meetings where business relevant to them is to be discussed. However, at least once a year the Committee should meet with the external and internal auditors without any officers present.

Independent Members	4
External Co-Opted Members	2
Total Membership	6
Quorum	3
Secretary	University Secretary and Clerk to the Board of Governors

CURRENT MEMBERSHIP

Jo Allen	Independent member of the Board of Governors
Vickie Brown	External Co-opted member
Karen Finlayson	Independent member of the Board of Gov
Professor Chris Kinsella	Independent member of the Board of Governors (Chair)
John Warner	External Co-opted member
Vacancy	Independent member of the Board of Governors