

## AUDIT AND RISK COMMITTEE 2023/24

### 1 Summary of Purpose

- 1.1 To provide advice to the Board of Governors on the fulfilment of the Board's responsibility for sound internal control, stewardship and the achievement of value for money;
- 1.2 To advise the Board on the appointment, remuneration, terms of reference, scope and results of internal and external audit;
- 1.3 To oversee the implementation of the Board's policy in the event of fraud or irregularity;
- 1.4 To advise the Board on the adequacy and effectiveness of the University's strategic risk management arrangements.

### 2 Authority

- 2.1 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 co-operate with any request made by the Committee.
- 2.2 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 designated officer and/or chair of the governing body. However, it may not incur direct expenditure in this respect in excess of £5,000, without the prior approval of the governing body.
- 2.3 The Audit 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.

### 3 Frequency of Meetings

- 3.1 The Audit Committee normally meets four times per year.

### 4 Declarations of Interest

- 4.1 All members of the Committee shall register any declarations of interest at the beginning of each Committee meeting.

## **5 Quoracy**

- 5.1 The quorum of the meeting shall be 50% of the Committee's membership. If a meeting is not quorate, any decisions must be approved at the next quorate meeting before they may be implemented.
- 5.2 The Committee shall use email circulation, telephone or video conferencing as appropriate to progress its business effectively.

## **6 Duties and responsibilities**

- 6.1 To monitor the performance and effectiveness of the internal and external auditors.
- 6.2 To advise the governing body 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 the external auditors.
- 6.3 To discuss (if necessary) with the external auditors, before the audit begins, the nature and scope of the audit.
- 6.4 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 other matters the external auditors may wish to discuss (in the absence of management where necessary).
- 6.5 To recommend approval of the annual letter of representation to the external auditor in connection with the audit of the financial statements of the University and subsidiary companies.
- 6.6 To consider and advise the governing body on the appointment and terms of engagement of the internal audit service, 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.
- 6.7 To review the internal auditors' audit risk assessment and strategy; to consider major findings of internal audit investigations and management's response; and to 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 and make a recommendation to the governing body as appropriate.
- 6.8 To keep under review the effectiveness of the risk management, control and governance arrangements, and in particular to review the external auditors' management letter, the internal auditors' annual report, and management responses; and to approve and monitor management action plans in response.
- 6.9 To assure the governing body that adequate and effective arrangements are in place for:
  - risk management, control and governance;
  - promoting economy, efficiency and effectiveness;
  - the management and quality assurance of data submitted to HESA, Office for Students [OfS], the Student Loans Company, and other funding bodies.
  - Data assurance of any statutory returns or any publically available data which could have a reputational impact if incorrect

- 6.10 To review the processes by which the annual accounts are produced, and recommend the approval of the annual accounts to the governing body.
- 6.11 To monitor the implementation of agreed audit-based recommendations, from whatever source.
- 6.12 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.
- 6.13 To oversee the institution's policies and procedures in respect of fraud and irregularity, bribery, public interest disclosure ("whistleblowing") and compliance with the PREVENT duty, including being notified of any action taken under these policies
- 6.14 To receive any relevant reports from the National Audit Office, OfS and other organisations.
- 6.15 To monitor annually the performance and effectiveness of external and internal auditors, including any matters affecting their objectivity, and to make recommendations to the governing body concerning their reappointment, where appropriate.
- 6.16 To consider elements of the annual financial statements in the presence of the external auditors, including the auditors' formal opinion, the statement of members' responsibilities and the statement of internal control, in accordance with OfS's Accounts Directions.
- 6.17 In the event of the 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.
- 6.18 To submit an annual report on the Committee's business which must include the Committee's opinion on the adequacy and effectiveness of the institution's arrangements for: risk management, control, governance; and economy, efficiency and effectiveness. The report must be considered by the Committee and must be submitted to the Governing Body and OfS.
- 6.19 Regularly review its terms of reference and its own effectiveness, including compliance with the Audit Code of Practice for Higher Education, and recommend any changes to the governing body.
- 6.20 To keep under review and to ensure that the University had in place appropriate policies, processes and controls in order for it to meet its statutory and legal obligations in relation to health, safety and environment and is properly compliant.

## **7 Membership**

- 7.1 The Committee comprises the Governors and other members, as detailed below.
- 7.2 One member shall be appointed by the Nominations Committee to serve as Chair, and another member shall be appointed to serve as Deputy Chair.
- 7.3 The Committee may co-opt up to three additional members.
- 7.4 The Head of Secretariat or their nominee, shall act as Secretary to the Committee.

<b>Membership category</b>	<b>Name</b>	<b>Date appointed*</b>
Governor (Chair)	Karen Hayzen-Smith	1 May 2021 (1) [term ends 31/07/24]
Governor	Lyn Williams	1 <sup>st</sup> August 2017 (2) [term ends 31/07/25]
Governor	Simon Jones	1 <sup>st</sup> August 2017 (2) [term ends 31/07/25]
Governor	Paul Feldman	8 July 2021 (1) [term ends 31/07/26]
Co-opted member**	Mike McEnaney	27 September 2022
Co-opted member**	Vacancy	

\*the number in brackets indicates the current term of office for each member

\*\*up to three co-opted members may be appointed

**University Officers in Attendance:**

Registrar & Chief Operating Officer	Brendan Casey	Ex officio
Chief Financial Officer	Catherine Burleigh	Ex officio
Director of Finance & Deputy Chief Financial Officer	Jennifer Hydari	Ex officio
Secretary Head of Secretariat	Maria Crawford	Ex officio

**Approved: 10<sup>th</sup> October 2023**