



Audit & Risk Committee Constitution

A Scope of the committee

1. The committee is responsible for advising the Council on the effectiveness of the University's management and control systems. To this end, it meets with external auditors to discuss their audit findings, and with internal auditors to consider detailed internal audit reports and any recommendations for the improvement of the university's systems of internal control, together with management responses and implementation plans. The committee also receives and considers relevant reports from the OfS and other bodies (such as the National Audit Office) which affect the university's business and monitors adherence with regulatory requirements.
2. The committee reviews the university's annual financial statements and appoints the internal and external auditors.

B Terms of reference

3. The committee is authorised by Council 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.
4. The committee is authorised by Council 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 Council. However, it may not incur direct expenditure in this respect more than £50k without the prior approval of Council.
5. The committee is authorised to approve all audit planning documents on behalf of Council.
6. The committee will review the audit 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(s) 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.
7. The duties of the committee are as follows:
 - a. Consider for approval 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.
 - b. Discuss with the external auditors, before the audit begins, the nature and scope of the audit.
 - c. 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).

- d. Consider for approval 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.
- e. Review the internal auditors' audit risk assessment, strategy and programme; consider major findings of internal audit investigations and management response; and promote coordination 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 Council, as appropriate).
- f. Keep under review the effectiveness of the risk management, culture, control and governance arrangements that sit outside of the remit of the Nominations and Governance Committee and review the external auditors' management letter, the internal auditors' annual report and management responses.
- g. Monitor the implementation of agreed audit-based recommendations from whatever source.
- h. Ensure that all significant losses have been thoroughly investigated and that the internal and external auditors – and where appropriate the regulator – have been informed.
- i. Oversee the university's policies on risk management, business continuity, disaster recovery, fraud, bribery and irregularity, including being notified of any action taken under that policy.
- j. Satisfy itself that suitable arrangements are in place to ensure the sustainability of the institution and to promote economy, efficiency and effectiveness. This may include consideration of arrangements that:
 - a. support the culture and behaviour that is prevalent within the institution; and
 - b. ensure the effective management of conflicts of interest (including approving, amending and monitoring the management of, the Conflicts of Interest Policy)
- k. Satisfy itself that effective arrangements are in place to ensure appropriate and accurate data returns are made to external stakeholders and regulatory bodies.
- l. Receive any relevant reports from the National Audit Office, the regulators and other organisations, as required.
- m. Monitor annually the performance and effectiveness of the external and internal auditors, including any matters affecting their objectivity, and make recommendations to the governing body concerning their reappointment, where appropriate.
- n. Monitor other relevant sources of assurance, for example other external reviews.
- o. 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 the regulator's accounts directions.
- p. Ensure that there are effective procedures in place for the management of whistleblowing disclosures and receive regular reports from the Registrar on the status and nature of such disclosures.

- q. Ensure that there are effective cyber security arrangements in place.
- r. Monitor compliance with the Prevent Duty.
- s. In the event of the merger or dissolution of the institution, ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

Annual reporting to Council

- t. Produce and publish an annual report to Council covering the institution’s financial year and any significant issues up to the date of preparing the report. The report will be addressed to Council and the Vice-Chancellor and will summarise the activity undertaken during the year and provide the committee’s opinion of the adequacy and effectiveness of the institution’s arrangements for the following:
 - i. 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); and
 - ii. sustainability, economy, efficiency and effectiveness.

C Membership

Independent member (Chair)
Up to four, and always a minimum of two, further independent members

- 8. The Committee Chair shall be appointed by Council, advised by the Nominations and Governance Committee.
- 9. At least one member of the committee shall have recent relevant experience accounting or auditing. It is desirable that the committee member whom the board considers to have recent and relevant experience should have a professional qualification from one of the professional accountancy bodies.
- 10. The Chair of Council, members of the Finance and Resources Committee and members of the university’s Executive group shall not be members of the committee. Members of the Finance and Resources Committee may be invited to attend meetings of the committee with the agreement of the Chair.
- 11. The committee may, if it considers it necessary or desirable, co-opt members with particular expertise.

D In attendance

Vice-Chancellor
Chief Financial Officer
Pro Vice-Chancellor (Academic)
Internal audit representative(s)
External audit representative(s)
Registrar

Secretary to Council

Governance Secretary

E Frequency of meetings

12. The committee shall meet no less than four times per year.
13. The committee can meet privately with the internal and external auditors as required.
14. The committee may conduct its business via circulation when required.

F Quorum

15. The quorum is two members.

G Reporting structure

16. The committee reports to Council.

H Servicing and support arrangements

17. Servicing will be provided by the Office of the Secretary to Council.
18. Minutes of the committee's meetings will be published on the University's website, with redaction kept to a minimum.