

Audit and Risk Assurance Committee

Terms of Reference

1. To advise the Board of Trustees on the appointment of the External Auditors, their audit fees, the provision of any non-audit services by the External Auditors and any questions of resignation or dismissal of the External Auditors.
2. To discuss, if necessary, with the External Auditors, before the audit begins, the nature and scope of the audit.
3. 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).
4. To consider and advise the Board of Trustees on the appointment and terms of engagement of the internal audit service (and the head of internal audit, if applicable), the internal audit fees, the provision of any non-audit services by the Internal Auditors and any questions of resignation or dismissal of the Internal Auditors.
5. 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 University's needs (or make a recommendation to the Board of Trustees as appropriate).
6. To keep under review the effectiveness of the risk management, control and governance arrangements, including reference to the Strategic Risk Register, and to review the External Auditors' management letter, the Internal Auditors' annual report, and management responses.
7. To monitor the implementation of agreed audit-based recommendations, from whatever source.
8. To ensure that all significant unbudgeted losses have been properly investigated and that the Internal and External Auditors, and where appropriate the Office for Students (OfS), have been informed.
9. To monitor the University's policy on fraud and irregularity, including being notified of any action taken under that policy.
10. To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness (value for money), and added value for students and key stakeholders.
11. To receive reports from the TRAC Oversight Group to satisfy itself that the TRAC return complies with the TRAC requirements.
12. To receive any relevant reports from the National Audit Office, OfS and other organisations.

13. 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 Trustees concerning their reappointment, where appropriate.
14. 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 the OfS's Accounts Directions.
15. In the event of the merger or dissolution of the University, to ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed. In the event of major change to the University's constitutional arrangements, to monitor and keep under review, during any transitional period, the effectiveness of the risk management, control and governance arrangements.

Ethical Acceptance of Donations

16. To evaluate the ethical and reputational risks of potential donations in accordance with the principles set out in sections 4.1 and 4.2 of the Ethical Acceptance of Donations Policy.
17. On reviewing the material provided, to advise the Vice-Chancellor whether the donation should be progressed, not progressed or further information be required, or whether the donation should be referred to the Board of Trustees for its consideration.

Other Matters

18. To consider and deal as appropriate with other such issues or matters referred to it by the Board of Trustees or the Vice-Chancellor.
19. To report to the Board of Trustees and make recommendations to the Vice-Chancellor as appropriate.

Reporting Procedures

20. Reports of the Committee's work will be circulated to the Board of Trustees.
21. The Committee will prepare an annual report covering the University's financial year and any significant issues up to the date of preparing the report. The report will be addressed to the Board of Trustees and the Vice-Chancellor, summarising the activity for the year. It will give the Committee's opinion on the adequacy and effectiveness of the University's arrangements for the following:
 - 21.1 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);
 - 21.2 economy, efficiency and effectiveness (value for money); and
 - 21.3 management and quality assurance of data submitted to HESA and to the OfS and other funding bodies.

22. This opinion is based on the information presented to the Committee. The Audit and Risk Assurance Committee annual report should normally be submitted to the Board of Trustees before the members' responsibility statement in the annual financial statements is signed.
23. The Committee is authorised by the Board of Trustees 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 Chair of the Board of Trustees, as appropriate. It may incur reasonable costs in this respect, without the prior approval of the Board of Trustees.
24. The Audit and Risk Assurance 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 Board of Trustees.

At least once a year the Committee should meet separately with the External and Internal Auditors without any officers present.

Members of the Committee shall, if necessary, have direct access to the External and Internal Auditors. The auditors engaged to provide an internal audit service shall, if necessary, have direct access to the Chair of the Audit and Risk Assurance Committee.

Constitution

The Audit and Risk Assurance Committee which shall be appointed by the Board of Trustees shall comprise:

Four independent members of the Board of Trustees one of whom shall be appointed **Chair** by the Board of Trustees.

One Senior Member of Staff from a Federation Member.

At least one and up to two members with appropriate expertise, who must not be members of the Board of Trustees.

The membership should not include the Chair of the Board of Trustees nor any member with executive responsibility for the management of the University.

Mode of Operation

The Chair shall have the power to act on behalf of the Committee in case of urgency including, but not limited to, requiring the Internal Auditors to conduct special reviews for the Committee's consideration.

The quorum for the Committee will be three members of whom one must be an independent member of the Board of Trustees.