

Audit, Risk & Compliance Committee

(Ordinance Appendix B, 1 August 2019)



Terms of Reference

1. Authority

- 1.1 The Committee is authorised by College Council to investigate any activity within the Committee's 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. Similarly, the Committee is authorised to seek any information it requires from members of the student body.
- 1.2 The Committee is authorised by College Council to obtain outside legal or other independent professional advice and to secure the attendance of outsiders with relevant experience and expertise if it considers this necessary.

2. Duties

The duties of the Committee shall cover the following areas:

2.1 Audit:

- To review accounting policies and to review any major changes to the College's accounting principles and practices that are brought to the attention of the Committee by the external auditors, internal audit or management;
- To review the College's annual accounts and make recommendations to the Council regarding their approval;
- To seek assurance, through regular reports including performance indicators, that satisfactory arrangements are in place to promote economy, efficiency and effectiveness, and to advise College Council accordingly;
- To consider reports concerned with allegations of fraud and to advise as necessary;
- To keep under review the College's Fraud Response Plan;
- To review the College's annual statement of internal control and to keep under review the effectiveness of internal control systems including, on behalf of College Council, responsibility for reviewing the effectiveness of the risk management process;

2.2 Risk:

- To receive reports on the College's risk assessment prepared by management, and to comment on the effectiveness of the actual or proposed responses to dealing with risks identified;
- To receive regular reports from senior management on the control of risks to the achievement of the university's strategic plans;

2.3 Compliance:

- To consider, on an ongoing basis, the arrangements in place for the management of statutory and regulatory compliance in areas such as health, safety and environmental standards, equal opportunities, race relations, disability discrimination, Prevent, and other key legislative requirements, and to comment on their effectiveness.

2.4 Appointment and Performance of the External Auditors

- To consider and recommend the appointment of the external auditors, and the relevant fee, and to annually review their performance;
- To consider and make appropriate recommendations concerning any question of resignation or dismissal of the external auditor;
- To discuss and agree the nature and scope of the audit with the external auditor before it commences and to discuss issues arising from the interim and final audits and any matters the auditor may wish to discuss (in the absence of College Officers where necessary);
- To review the external auditor's annual management letters and the responses by College management;
- To oversee the processes and practices in place to ensure the independence of the external auditors, including assessing reports of non-audit services provided by the external auditors to the College
- To review and pre-approve all non-audit services which may be performed by the College's external auditors over the value of £50k or a figure the Council may decide.

2.5 Appointment and Performance of the Internal Auditors

- To consider and advise on the appointment of the Director of Business Assurance in the context of that officer's responsibility for internal audit services;
- To review and approve the internal audit strategic and annual plans;
- To consider internal audit reports and management's response. To require, as necessary, the attendance of any College employee before the Committee when individual audit reports concerning the service or function relevant to that employee are being considered;
- To review and approve the internal auditor's annual report;
- To review annually the performance of the internal audit service.

2.6 General

- To receive any relevant reports from the National Audit Office or the OFS and to consider the necessary College action;
- To meet by exception with the Vice President(Finance), the Director of Business Assurance and the external auditors in separate executive sessions, and with other College officers as required by circumstances and events;
- To produce an annual report for the OFS, College Council and the Principal;

2.7 Performance of the Audit, Risk and Compliance Committee

- To carry out a self-assessment evaluation of the Committee and its performance every three years and report the results to the College Council.

3. Composition

3.1 The Audit, Risk and Compliance Committee and its Chair shall be appointed by College Council and must consist of members with no executive responsibility for the management of the Institution, unless specifically authorised by the Office for Students (OfS). There shall be not fewer than four members, which may include co-opted members. A quorum shall be two members including either the Chair or the Deputy Chair. With the Chair's consent, virtual attendance by a member or members is permissible.

3.2 Members of the Committee are appointed by the Council on the recommendation of the Governance & Nominations Committee. The Chair of the Committee and the Vice-Chair shall be independent members of the College Council. At least one other member should

have a background in finance, accounting or auditing. The Council may add further members drawn from the staff or students of the College or independent members from outside the College with particular expertise. No member of the Committee may also be a member of the Finance Committee unless specifically authorised by the OfS.

- 3.3 Members shall normally serve a maximum of two consecutive three-year terms, with the possibility of extension for a further single three-year term (up to a maximum of nine years) in exceptional circumstances.
- 3.4 The Honorary Treasurer shall normally attend meetings of the Audit, Risk and Compliance Committee.
- 3.5 The following College Officers shall normally attend meetings of the Audit, Risk and Compliance Committee:
 - 3.3.1 The Principal & President
 - 3.3.2 The Vice President (Finance)/Chief Finance Officer
 - 3.3.3 The Senior Vice President (Operations)
 - 3.3.4 The Director of Business Assurance
 - 3.3.5 The Assistant Director of Business Assurance (Audit)
- 3.6 A representative of the External Auditors will attend meetings where business relevant to them is to be discussed. The Committee may meet with the external auditors, at any time, without any officers being present.
- 3.7 The College Secretary or his/her designate shall act as Secretary to the Audit, Risk and Compliance Committee.

4. Frequency of Meetings

- 1.1 Meetings shall normally be held at least three times a year (once a term).
- 1.2 The external auditors, any member of the Committee or the Director of Business Assurance may request a meeting if they consider one is necessary.

2. Reporting Procedures

A report of each meeting of the Committee will be circulated to all members of College Council.