

AUDIT AND RISK COMMITTEE

Terms of Reference

1) Risk Management

To advise the Board on Risk Management through:

- a) familiarisation with the concept and requirements of risk management;
- b) review of the Risk Register at least annually and reporting material increases to each Board on any changes to existing risks, impact, likelihood and mitigation;
- c) acting as a catalyst for risk management activity across the University;
- d) identifying any new (urgent or critical) risks through appropriate reporting mechanisms;
- e) ensuring appropriate audit work on risk management is performed;
- f) collecting information on risks and risk management.

2) Financial

- a) To review the effectiveness of financial and other internal control systems.
- b) To ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the Universities' Accounting Officers, have been informed and report to OfS any significant impact to the risk assessment through the Annual Accountability Return.
- c) To oversee the institution's policy on fraud and irregularity, and anti-bribery policy including being notified of any action taken under these policies.

3) External Audit

- a) To make recommendations to the Board on the appointment and, if necessary, the dismissal of the External Auditor, the audit fee, and any non-audit services from the External Auditor.
- b) To meet annually with External Auditors in a closed session (i.e. without University staff in attendance).
- c) To receive and approve the External Auditor's report on the nature and scope of the audit.
- d) To receive and consider the External Auditor's management letter in connection with the audit of the Annual Accounts and the management response for recommendation to the Board.

- e) To consider elements of the annual financial statements in the presence of the External Auditor, including their formal opinion, the statement of the directors' responsibilities and any corporate governance statement.

4) Internal Audit

- a) To advise on the appointment of the Internal Auditor and, if necessary, on their dismissal.
- b) To meet annually with Internal Auditors in a closed session (i.e without University staff in attendance).
- c) To contribute to the production of and approve the internal audit programme with reference to the Risk Register.
- d) To receive and consider the final report of each internal audit assignment, activity or investigation undertaken on behalf of the University by the Internal Auditor and to monitor progress against recommendations.
- e) To review the work of the Internal Auditor in conjunction with the receipt of an annual report prepared by the Internal Auditor, the report to include an opinion on the degree of assurance that can be taken from the system of control.
- f) To consider any internal audit matters not specifically covered above.

5) Monitoring and Co-ordination of Internal and External Audit

- a) To monitor the effectiveness of internal and external audit, including monitoring of any matters affecting their independence or objectivity.
- b) To co-ordinate the internal and external auditors' activity.

6) Reports of an Audit Nature

To receive, and consider, any reports of an audit nature prepared by the OfS, DfES, NAO and any other similar bodies.

7) Value for Money

To satisfy itself that adequate arrangements are in place to promote value for money (VFM) initiatives including:

- a) the aims and objectives for pursuing VFM within the institution;
- b) the way in which the institution plans to achieve VFM during the year; and
- c) the processes undertaken and, if appropriate, the principal benefits that the institution has received/should receive as a result.

8) Economy, Efficiency and Effectiveness

To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

9) Data Assurance

To satisfy itself that satisfactory arrangements are in place to ensure data reported to external agencies is prepared in accordance with the OfS best practice requirements.

10) Annual Report

Prepare an annual report for submission to the Board on the work of the Audit and Risk Committee. This will incorporate an opinion on the effectiveness of the internal control system and the pursuit of value for money, together with an assurance on governance, risk management and data assurance.

Membership

Ex Officio

- Independent Director (Chair)
- Independent Directors [3]
- External Members [3]

Total membership: 7

In attendance

- Registrar and Secretary
- Vice-Chancellor (for the start of each meeting)
- Academic Registrar (Secretary to the Committee)
- Director of Finance and Planning
- A representative of the Internal Audit Service
- A representative of the External Audit Service

Secretary

- Executive Assistant to the Vice-Chancellor

Notes on membership

- 1) The Audit and Risk Committee will consist of at least three directors to include one director as a nominee of the partner Learning Network Colleges and at least two external members.
- 2) In attendance will be the Secretary to the Committee and the Registrar and Secretary. A representative of the Internal Audit service will also normally attend.
- 3) The Vice-Chancellor will attend at the start of each meeting to provide a general update and will remain for specific agenda items, if required by the Committee.
- 4) Members will normally meet annually with the External and Internal Auditors in a closed session.
- 5) Members will normally serve for a minimum of three years and a maximum of seven years.

Quorum

Quorum will be three members consisting of at least one director and one external member.

Frequency of meetings

The Committee will normally have four meetings per academic year but will meet more frequently if required.

Reports to

The University of Suffolk Board of Directors.

The membership and terms of reference for Audit and Risk Committee will be reviewed annually, normally at the first meeting of each academic year by the Board.