

Audit Committee

Terms of Reference e7

Authority

The Committee is authorised by the University Board 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 required to cooperate with requests made by the Committee.

The Committee is authorised by the University Board to request the Secretary 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 the University Board. However, it may not incur direct expenditure in this respect more than £5000 without the prior approval of the University Board.

The Committee is authorised to approve (or recommend to the University Board for approval) and monitor all audit planning documents on behalf of the University Board.

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 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 University Board.

Duties

The duties of the Committee shall be to:

- a) Oversee the selection process and advise the University Board on the appointment of the internal and external auditors and any questions of resignation or dismissal of the internal or external auditors.
- b) Manage on behalf of the Board issues relating to any proposed provision of non-audit work by the internal or external auditors.
- c) Discuss with the external auditors, before the audit begins, the nature and scope of the audit.
- d) Discuss with the external auditors any problems and/or reservations arising from the interim and final audits, including a review of the annual management letter, incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of management where necessary).
- e) Review the internal auditors' risk assessment, strategy and plan, consider major findings of internal audit reports, investigations and management response.
- f) Promote coordination between the internal and external auditors.
- g) Ensure that the resources made available for internal audit are sufficient to meet the institution's needs (or make a recommendation to the University Board as appropriate).
- h) Keep under review the effectiveness of the University's risk management and control arrangements and culture, and review the external auditors' management letter, the internal auditors' annual report and management responses.

Review

The Committee should periodically (and a minimum of every four years) undertake a review of its terms of reference and its own effectiveness and recommend any necessary changes to the University Board.

Meetings and Decisions

Subject to the agreement of the Chair, the Committee can take decisions by Written Resolution provided the Resolution is supported by all members of the Committee.