

# Audit Committee

## Terms of Reference:

The duties of the Audit Committee shall be:

1. To advise the governing body on 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.
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 governing body on the appointment and terms of engagement of the internal audit service (and the head of internal audit, if applicable), 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.
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 institution's needs (or make a recommendation to the governing body as appropriate).
6. To keep under review the effectiveness of the risk management, control and governance arrangements, and in particular 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 losses have been properly investigated and that the internal and external auditors, and where appropriate the HEFCE accounting officer, have been informed.
9. To oversee the institution'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.
11. To receive any relevant reports from the National Audit Office and its equivalent in Scotland, Wales and Northern Ireland, the funding councils and other organisations.
12. To monitor annually the performance and effectiveness of external and internal auditors, including any matters affecting their objectivity, and to make recommendations to the governing body concerning their reappointment, where appropriate
13. 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 HEFCE's Accounts Directions.
14. In the event of the merger or dissolution of the institution, to ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

**Reports to:** Council

**Membership:**

<i>Chairman</i>	
Ms Sarah Harkness	2008-11 (Chair 2011)

<i>Three members of the Council, appointed by the Council</i>	
Mr Oliver Stephenson	2010-13
Dr David Bott	2011-14
Professor Graham Russell	2011-14

<i>Up to four co-opted members, appointed by the Council</i>	
Mr Richard Tapp	2007-10, et seq, 11-12
Mr John Biggin	2008-11, 11-12
Emeritus Professor Christopher Spencer	2011-14
Mr Geoffrey Stevens	2011-14

<i>Secretary</i>	Ms Sue Stephens (Planning and Governance Services)
------------------	--

**Quorum:** Four members of the Committee, of whom at least two should be members of Council.