

Committee Terms of Reference: AUDIT, RISK AND ASSURANCE COMMITTEE

Reports to: the Council

Occurrence: 4 times a year. The External or Internal auditors may request a meeting if they consider it necessary

Terms of reference last reviewed: June 2020; last revised: July 2020; and next due for review: June 2022

Members:

- 1 Independent Member (Chair), drawn from the membership of Council
- 4 Independent Members, up to two of whom may be co-opted / not drawn from the membership of Council
- 1 Student Member

5 members.

Committee Members should not have significant interests in the University. Members should not normally also serve on the Resources and Performance Committee.

The Chair of the University's Council should not be a member of the Committee.

At least one Independent Member should have recent relevant experience in finance, accounting or auditing.

Independent Members will be appointed for 4 years in the first instance, with the possibility of appointment for a second term of no more than 4 years.

Quorum: 3 members.

In attendance:

- Vice-Chancellor
- Director of Finance and Corporate Services, or nominee
- University Secretary
- The University's External Auditors
- The University's Internal Auditors

At the discretion of the Chair other University officers, as may be appropriate, shall be invited to attend meetings.

At least once a year, Committee Members shall meet with the External and Internal auditors without University management present, other than the Committee Clerk.

Remit:

The Audit, Risk and Assurance Committee has a key role in the University's governance framework. Accountable to Council, its overriding duties include:

- Testing and advising Council on the effectiveness of the institution's risk management, control and governance arrangements, and the internal controls and procedures to promote economy, efficiency and effectiveness;
- Oversight of external and Internal audit arrangements, including advising the governing body on the appointment of the audit providers, and oversight of the nature and scope of External and Internal audits and the effectiveness of the audit processes; and
- Oversight of audit aspects of the institution's financial statements, including the External Auditors' opinion, the statement of members' responsibilities, the statement of internal control and any relevant issue raised in the External Auditors' management letter.

The Committee shall promote co-ordination between the External and Internal auditors.

In the event of the merger or dissolution of the University, the Committee shall ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

Terms of reference:

1. To scrutinise and advise the Council as appropriate on:
 - a. The appointment or reappointment of the External and Internal auditors, the terms of their engagement, the audit fee, and their ability to provide any non-audit services;
 - b. The performance of the External and Internal auditors, including any matters affecting their objectivity, and any matters relating to their resignation or dismissal;
 - c. Problems and reservations arising from the interim and final external audits, including a review of the management letter incorporating the management responses, and any other matters the External Auditors may wish to discuss (in the absence of management where necessary);
 - d. Audit aspects of the annual financial statements (to be considered 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 Higher Education Funding Council for Wales' Accounts Directions;
 - e. Major findings of Internal Audit investigations and management's response; and the Internal Auditors' annual report;
 - f. The implementation of agreed audit-based recommendations, from whatever source;
 - g. Internal risk management arrangements, including the corporate risk register;
 - h. Significant losses in terms of their proper investigation, and that the External and Internal auditors, and where appropriate the Higher Education Funding Council for Wales, has been informed;
 - i. Other appropriate audit reviews not conducted by the External or the Internal auditors, but which have implications for the institution's risk management, control and governance arrangements; and
 - j. Matters relating to standards and principles of public life at the request of Council; the Chair of Council; the Deputy Chair of Council; or the Chair of the Audit, Risk and Assurance Committee.
2. To scrutinise and have authority to approve on behalf of Council:
 - a. The nature and scope of the External Audit;
 - b. The Internal Auditors' audit risk assessment, strategy and programme;
 - c. A policy for the use of External Auditors for non-audit work; and
 - d. Any other policies relating to matters within the Committee's purview, unless covered elsewhere in these terms of reference, or which fall within the remit of another Committee of Council.
3. To receive reports for information and advise Council and / or the Vice-Chancellor as appropriate on:
 - a. Any revisions to the University's Counter-Fraud and Malpractice, Anti-bribery, and Public Interest Disclosure policies, which shall normally be considered in the first instance by the Governance and Compliance Committee;
 - b. Any revisions to the University's Financial Regulations, which shall be proposed and / or considered in the first instance by the Resources and Performance Committee;
 - c. Any matters progressed under the University's Counter-Fraud and Malpractice, Anti-bribery, and Public Interest Disclosure policies, normally once the applicable investigations have concluded;
 - d. An annual report on Value for Money within the institution; and

- e. Any relevant reports from the Wales Audit Office, HEFCW and other organisations.
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Operation

The Committee is authorised by the Council 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 directed to co-operate with any request made by the committee.

The Committee is authorised by the Council to obtain outside legal or other independent professional advice, via the Clerk to the Council, 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 the Chair of Council.

The 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 Council.

The Committee will prepare its 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 Chair of Council and the Vice-Chancellor, and will summarise the activity for the year. It will give the Committee's opinion of the adequacy and effectiveness of the University's arrangements for the following:

- risk management, control and governance;
- economy, efficiency and effectiveness (value for money); and
- management and quality assurance of data used and submitted for regulatory purposes.

The opinion on these matters will be based on the information and assessments presented to the Committee by the auditors and by the University management.