



### Terms of Reference and Membership

<b>Outcome requested:</b>	Audit and Risk Committee is asked to <b>note</b> its terms of reference and updated membership list.
<b>Executive Summary:</b>	<p>[a] Terms of reference</p> <p>No changes are proposed to the Committee’s terms of reference which were reviewed and substantially updated in September 2014.</p> <p>[b] Membership</p> <p>Melissa Tatton completed her first term of office as a co-opted member in September 2013 and has agreed to continue for a second term of office.</p> <p>The membership list has been updated with changes to the Secretariat and Luke Savage becoming Treasurer when Simon Linnett’s second term of office ends in October 2017.</p>
<b>QMUL Strategy:</b>	The effective management of the QMUL’s governance arrangements underpins the ability to achieve the strategic aims.
<b>Internal/External regulatory/statutory reference points:</b>	<p>HEFCE Memorandum of assurance and accountability between HEFCE and institutions</p> <p>CUC Handbook for Members of Audit Committees in Higher Education Institutions</p> <p>Audit and Risk Committee Terms of Reference</p> <p>CUC Code of Governance</p>
<b>Strategic Risks:</b>	13 – Maintain effective and constructive governance
<b>Equality Impact Assessment:</b>	No equality or diversity issues are raised by this paper.
<b>Subject to prior and onward consideration by:</b>	By committee only.
<b>Confidential paper under FOIA/DPA:</b>	No.
<b>Timing:</b>	The Committee reviews its terms of reference and membership annually.
<b>Author:</b>	Sian Marshall, Assistant Registrar (Council and Governance)
<b>Date:</b>	18 September 2017
<b>Senior Management/External Sponsor:</b>	David Willis, Chairman of Audit and Risk Committee

## **Audit and Risk Committee Terms of Reference 2017–18**

Audit and Risk Committee is a committee of Council, mandated by HEFCE under the Memorandum of Assurance and Accountability between HEFCE and Institutions. The Committee oversees Queen Mary University of London (QMUL)'s arrangements for external and internal audit, financial control and risk management, providing assurances in these key areas through its annual report to Council and to HEFCE.

### **1. External and Internal Audit**

- 1.1 To make recommendations to Council at least annually on the appointment of external and internal auditors.
- 1.2 To commission a competitive tendering process:
  - for external audit services at least every 7 years; and
  - for internal audit services at least every 5 years.
- 1.3 To oversee external and internal audit services by:
  - promoting co-ordination between external and internal audit services;
  - providing input to, and approving, an annual external audit strategy and internal audit plan;
  - reviewing reports and recommendations from the external and internal auditors;
  - reviewing the adequacy and implementation of the Executive response; and
  - reviewing the effectiveness and objectivity of the external and internal auditors.
- 1.4 To review the draft annual financial statements with the external auditors and recommend their adoption by Council following satisfactory resolution of matters raised.

### **2. Financial Control and data assurance**

- 2.1 To review the adequacy and effectiveness of the Executive's systems for:
  - management and quality assurance of external data returns;
  - financial control;
  - obtaining value for money; and
  - responding to alleged financial irregularities.
- 2.2 In relation to alleged financial irregularities:
  - to receive regular reports from the internal auditors and the Executive on reports received, investigations conducted and action taken; and
  - to obtain assurances that any significant losses have been appropriately disclosed and (where appropriate) reported to HEFCE and other external bodies.

### **3. Risk management**

- 3.1 To review the effectiveness of mechanisms operated by the Executive for identifying, assessing and mitigating risks (including, where appropriate, mitigation by insurance).

- 3.2 To regularly consider the current status of core risks to the QMUL Strategy, through the review of data and documents presented by the Executive and derived from the Strategic Risk Register.
  - 3.3 To periodically test scores and controls in selected areas of activity through consideration of specific reports.
  - 3.4 To review HEFCE's Annual Institutional Risk Assessment, audits undertaken by its Assurance Service and relevant findings by other bodies.
  - 3.5 To oversee the Public Interest Disclosure (whistle-blowing) policy and receive regular reports from the Executive on cases.
- 4. Legal and Statutory Compliance**
- 4.1 To consider an annual report on exceptions to legal and statutory compliance from the Executive, and request follow up action, including investigation and reporting where identified.
- 5. Committee evaluation**
- 5.1 To review the Committee's effectiveness and the suitability of its terms of reference annually.

#### **Membership of Audit and Risk Committee**

- No less than three and no more than five external members of Council, one of whom will be the Chairman of the Committee.
- Up to two co-opted members who are external to QMUL and have relevant expertise.

#### **Mode of Operation**

1. Audit and Risk Committee meets at least three times per year. The Committee holds an in camera meeting with the representatives of internal and external audit on two occasions per year, normally immediately before scheduled meetings.
2. The Committee will prepare an annual report covering the institution's financial year and any significant issues up to the date of preparing the report. The report will be addressed to the Council and the President and Principal, summarising the activity for the year, and providing an opinion on the adequacy and effectiveness of the institution's control arrangements as required by the HEFCE Memorandum of Assurance and Accountability between HEFCE and Institutions.
3. The Committee reports to the next meeting of Council following each of its meetings in the form of an executive summary of its minutes. Specific proposals requiring Council consideration and approval are identified in the terms of reference.

## Audit and Risk Committee 2017–18 Membership

- No less than three and no more than five external members of Council, one of whom will be the Chairman of the Committee
- Up to two co-opted members who are external to the College and have relevant expertise

### Chairman

External member of Council

David Willis

Up to four other external members of Council

Kathryn Barrow  
Monica Chadha  
Vacancy  
Vacancy

Up to two co-opted members

Melissa Tatton  
Nadim Choudhary

### In attendance

Academic Registrar and Council Secretary  
Vice-Principal (Science and Engineering)  
Chief Operating Officer  
Finance Director  
Deputy Director (Financial Controls)  
Deputy Director of Strategic Planning

Jonathan Morgan  
Professor Edmund Burke  
Laura Gibbs  
Joanne Jones  
Janice Trounson  
TBC

External Auditors [Deloitte]

Sue Barratt  
Paul Thomas

Internal Auditors [KPMG]

Paul Cuttle  
Neil Thomas

### Secretariat

Assistant Registrar (Council and Governance)  
Governance Administrator

Sian Marshall  
Nadine Lewycky

### Papers circulated for information to:

Hard copy to:  
Archivist  
Treasurer

Naomi Sharp  
Luke Savage