



Committee Terms of Reference and Membership

Outcome requested:	The Committee is asked to note its terms of reference and updated membership for reporting in the annual report.
Executive Summary:	[a] No changes are proposed to the Committee's terms of reference, which were last updated substantially in September 2014. [b] The membership list has been updated to reflect the changes in representation from the Auditors and Committee membership.
QMUL Strategy:	The effective management of Queen Mary's governance arrangements underpins the ability to achieve the strategic aims.
Internal/External regulatory/statutory reference points:	Office for Students terms and conditions of funding CUC Handbook for Members of Audit Committees in Higher Education Institutions Audit and Risk Committee Terms of Reference CUC Code of Governance
Strategic Risks:	N/A
Equality Impact Assessment:	No equality or diversity issues are raised by this paper.
Subject to prior and onward consideration by:	By committee only.
Confidential paper under FOIA/DPA:	No.
Timing:	The Committee reviews its terms of reference and membership annually.
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Date:	21 September 2020
Senior Management/External Sponsor:	David Willis, Chair of Audit and Risk Committee

Audit and Risk Committee Terms of Reference 2020–21

Audit and Risk Committee is a committee of Council, mandated by the Office for Students (OfS) under the Terms and conditions of funding for higher education 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, which is shared with the OfS.

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 the OfS 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 the OfS'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 Chair 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 OfS Terms and conditions of funding for higher education 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 2020–21 Membership

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- Up to two co-opted members who are external to QMUL and have relevant expertise

Chair

External member of Council

David Willis

Up to four other external members of Council

Dr Alix Pryde
Peter Thompson
Melissa Tatton
Vacancy

Up to two co-opted members

Simona Fionda
Vacancy

In attendance

Chief Governance Officer and University Secretary
President and Principal
Interim Finance Director
Deputy Director (Financial Controls)
Director of Strategic Planning

Jonathan Morgan
Professor Colin Bailey
Louise Parr-Morley
Janice Trounson
Dr Catherine Murray

External Auditors [Deloitte]

Julian Reeve
Craig Wisdom

Internal Auditors [KPMG]

Charles Medley
Neil Thomas

Secretariat

Assistant Registrar (Governance)

Dr Nadine Lewycky

Papers circulated for information to:

Archivist
Treasurer

Kate Ormerod
Luke Savage