

Audit Committee

Terms of Reference

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Approval History

Version	Date	Comments	Approver
0.01	27/02/2017	First draft to Nominations & Governance Committee	
0.02	15/05/2017	Revised following feedback from external benchmarking	
0.03	19/06/2017	Revised following Nominations & Governance Committee feedback	
1.00	28/06/2017	Approved	Board of Trustees
2.00	08/03/2018	Revised membership	Nominations and Governance Committee (25/01/18)
3.00	07/06/2018	Annual re-approval with minor edits	Nominations and Governance Committee
4.0	18/10/2018	Annual re-approval with minor edits	Audit Committee
4.01	10/01/2019	Membership updated	Nominations and Governance Committee
5.00	25/01/2019	Approved with a further minor amendment	Nominations & Governance Committee
6.00	22/01/2020	Minor amendments	Nominations & Governance Committee

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1. Key Purpose

The Audit Committee is established as a sub-committee of members of the Board of Trustees. Its remit is to review the adequacy and effectiveness of the University College's system of audit related to financial reporting, internal control and risk management. In fulfilling this function the Audit Committee adheres to the guidance and best practice for Audit Committees outlined by the Office for Students, in the CUC Higher Education Code for Governance, and in the CUC Handbook for Members of Audit Committees in Higher Education Institutions.¹

Its responsibilities are subject to the over-arching governance of UCEM led by the Principal and the powers and functions of the Board of Trustees.

2. Terms of Reference

Subject to its overall guidance and approval, the Board of University College of Estate Management charges the Audit Committee with the following functions:

2.1 Audit Planning

To manage the audit schedule including:

- a. To commission internal or external audits where deemed necessary.
- b. To agree and approve the annual audit plan (internal and external) considering external requirements and internal matters.
- c. To seek guidance from other Board Sub-Committees where appropriate on possible areas for internal or external audit
- d. To approve the annual appointment of the External Auditors, and to agree the scope of the audit
- e. Approve the terms of reference for any internal audit

2.2 Audit Monitoring

To monitor the outcome of audits including:

- a) To consider in conjunction with the Finance Committee and the External Auditor the outcomes and findings of the independent audit report and annual financial statements.
- b) To review the Board of Trustees Annual Report for submission with the Annual Financial Statements, prior to approval by the Board.
- c) To ensure UCEM's compliance with the Office for Students Conditions of Registration.
- d) To review and satisfy itself that suitable arrangements are in place to promote economy, efficiency and effectiveness of the Institution

¹ <http://www.universitychairs.ac.uk/wp-content/uploads/2014/12/Handbook-for-members-of-Audit-Committees.pdf>

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- e) To review and approve findings of the internal audit reports.
- f) To monitor any actions required following either external or internal audit
- g) To report to the Board that any actions required following either external or internal audit are completed

2.3 Risk and Effectiveness

- a) To review the UCEM Risk Register and ensure that appropriate actions are being undertaken to mitigate Institutional risk
- b) To review the effectiveness of internal control systems and risk management to ensure accountability and transparency
- c) To prepare an annual report to the Board on risk management, controls and actions required from both internal and external audit

3. Reporting

The Committee reports to the Board of Trustees after each meeting in relation to its terms of reference and provides an annual report to the Board.

4. Membership of the Audit Committee

Name	Title
Dr Stephen Jackson	Chair of the Committee (To be appointed from the Trustees, the Chair should not be a member of Finance Committee)
Christopher Costigan	Independent Trustee
Alastair Martin	Independent Trustee (Finance Committee link member)
Prof. Kenny Miller	Independent Trustee
Vacancy	Independent Trustee
Alex Fraser	1 co-opted external member, who is not a Trustee.

5. Attending as Observer/Invitee

Name	Title
John Gellatly	The Chair of the Board of Trustees will have a standing invitation to attend the Audit Committee.
Ashley Wheaton	The Principal will have a standing invitation to attend the Audit Committee.
Jane Fawkes	The University College Secretary will have a standing invitation to attend the Audit Committee.
	Other Trustees and members of the Senior Leadership Team will be invited where relevant for specific agenda items.

6. Quorum/Decision Making

For the Audit Committee to be quorate, not less than 50% of those entitled to vote should be in attendance, along with the Chair (or a nominated designate). This excludes those attending by invitation or as an observer.

Decisions will be made by way of consensus, with the Chair carrying the casting vote.

7. Frequency of Meetings

The Audit Committee will normally meet a minimum of two times in each calendar year. The meeting with the External Auditors to discuss the annual audit report and financial statements will usually be a joint meeting held with the Finance Committee. Dates of meetings will be appropriate to the cycle of business and, where relevant, to UCEM Board of Trustees.