



**Review of Committee effectiveness and terms of reference**

<b>Outcome requested:</b>	The Committee is asked to: <ul style="list-style-type: none"> <li>a) <b>Consider</b> the findings from the annual review of Committee effectiveness;</li> <li>b) <b>Approve</b> the terms of reference for 2023–24;</li> <li>c) <b>Note</b> the membership for 2023–24.</li> </ul>
<b>Executive Summary:</b>	<p>The Committee is required to review its effectiveness and the suitability of its terms of reference annually. The Committee is asked to <b>consider</b> the outcomes of the recent effectiveness survey sent to Committee members and attendees over the summer.</p> <p>The Terms of Reference have been updated to reflect the CUC Audit Committees Code of Practice. Changes have been indicated in the track changes. The Committee is asked to <b>approve</b> the refreshed Terms of Reference and to <b>note</b> the membership for 2023–24.</p>
<b>QMUL Strategy:</b>	Effective governance supports the delivery of the Strategy.
<b>Internal/External regulatory/statutory reference points:</b>	<p>Charter and Ordinances</p> <p>Audit and Risk Committee terms of reference</p> <p>CUC HE Audit Committees Code of Practice</p> <p>CUC Higher Education Code of Governance</p>
<b>Strategic Risks:</b>	N/A
<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>	Nadine Lewycky, Head of Secretariat
<b>Date:</b>	07 September 2023
<b>Senior Management/External Sponsor:</b>	Peter Thompson, Chair of Audit and Risk Committee

## Review of Committee effectiveness and terms of reference

1. The Committee is required to review its effectiveness and the suitability of its terms of reference annually. This paper summarises the outcomes of the recent effectiveness survey sent to Committee members and attendees over the summer.
2. *Membership.* Respondents said that the membership was effective and had been enhanced by the new recruits to the Committee.
3. *Preparedness for roles.* Members said that they felt prepared for their roles. A more structured induction could help new members get up to speed more quickly with Committee business.
4. *Contributions by attendees.* Staff participating are well-versed in the primary matters discussed. The Committee would benefit from contributions that are more strategic in nature from the auditors.
5. *Meeting arrangements.* The hybrid meeting arrangements enabled the Committee to discharge its duties effectively.
6. *Provision of information and papers.* Feedback on the quality of information provided was positive. The risk information has improved and has helped members to identify the key areas for focus.
7. *The Chair.* Members commented positively on the steering of the Committee. The Chair has focused on ensuring there is sufficient time to devote to areas of risk and where the Committee can deep dive into issues which has deepened the level of conversation and debate.
8. *Outcomes and added value.* Respondents concluded that the Committee fulfils its role effectively and discharges its responsibilities as per the terms of reference. The Committee should regularly review its areas of focus to allow some agility in response to a fast moving environment.



## **Audit and Risk Committee Terms of Reference 2023–24**

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~~ 5 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, including a ~~biannual~~ report on cyber security.
- 3.4 To review the ~~outcomes of audits and reviews undertaken by institutional regulators, funders and other relevant organisations. 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 one annual *in camera* meeting with representatives of internal audit and one annual *in camera meeting* with representatives of external audit, 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 ~~arrangements for risk management, control and governance, sustainability, economy, effectiveness and efficiency (value for money) and the quality of the data submitted to regulatory bodies in line with the Committee of University Chair's Audit Committees Code of Practice. The Committee's opinion is based on the conclusion provided from the programme of internal audit through the year as well as other assurance reports from management and on occasion other parties. 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 ~~through the provision of in the form of an executive summary of~~ its minutes. Specific proposals requiring Council consideration and approval are identified in the terms of reference.

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## Audit and Risk Committee 2023–24 Membership

- 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

### Chair

External member of Council

Peter Thompson

Up to four other external members of Council

Celia Gough  
Indy Hothi  
Patricia Gallan  
Vacancy

Up to two co-opted members

Simona Fionda  
James Hedges

### In attendance

President and Principal  
Chief Governance Officer and University Secretary  
Chief Financial Officer  
Chief Operations Officer

Professor Colin Bailey  
Jonathan Morgan  
Karen Kröger  
Dr Sharon Ellis

External Auditors [BDO]

James Aston  
Sarah Durrant

Internal Auditors [KPMG]

Amy Taylor  
Neil Thomas

### Secretariat

Head of Secretariat

Dr Nadine Lewycky

### Papers circulated for information to:

Archivist  
Treasurer

Kate Ormerod  
Isabelle Jenkins