

## **NEWMAN UNIVERSITY AUDIT COMMITTEE – TERMS OF REFERENCE**

### **19 Audit Committee**

#### 19.1 Membership

The Committee shall be appointed by the Council and must have no fewer than three members at least one of whom should have a background in finance, accounting or auditing. No member shall have executive responsibility for the management of the University. No member of the Audit Committee may also be a member of the Finance and General Purposes Committee unless the member is not the Chair of either Committee and the membership is the subject of an explicit, recorded resolution of the Council.

19.2 The quorum for meetings of the Committee shall be two external Members.

19.3 The Terms of Reference of the Committee are:

- i To ensure that an effective internal control system, which promotes compliance with the laws and regulations governing the higher education sector, is in place throughout the University and is working satisfactorily;
- ii To ensure that management systems that facilitate the efficient, effective and economic discharge of the University's activities are maintained;
- iii To consider and advise on the appointment of the internal audit service and the internal audit fee;
- iv To review the internal audit plan, consider major findings of internal audit investigations and management's response and to promote co-ordination between the internal and external auditors;
- v To monitor the implementation of agreed audit-based recommendations;
- vi To consider the effectiveness of internal control systems and in particular review the external auditor's management letter, the internal auditors' annual report and management responses;
- vii To consider the appointment of the External Auditors and to review the scope of their work annually;
- viii To satisfy itself that appropriate arrangements are in place to promote economy, efficiency and effectiveness;
- ix To receive any relevant reports from the National Audit Office, the National College of Teaching and Leadership and HEFCE;

- x To ensure that all significant losses have been properly investigated, and that the internal and external auditors, and where appropriate, the TA and/or HEFCE Accounting Officer, have been informed;
- xi To oversee the University's policy on fraud and irregularity including being notified of any action taken under that policy;
- xii To monitor the performance and effectiveness of external and internal audit against annually-assessed performance criteria;
- xiii To receive a copy of the annual Financial Statements and, if necessary, consider any issues focusing on:
  - Appropriateness of accounting policies
  - Changes in accounting policies and practices
  - Major judgmental areas
  - Significant audit adjustments
  - Compliance with accounting standards, legal or other regulations;
- xiv To receive reports and approve policies for Risk Management and Value for Money, consider their soundness and focus on the main issues;
- xv To produce an annual report for the Council to include its opinion on the adequacy and effectiveness of the University's risk management, control and governance arrangements and arrangements for promoting economy, efficiency and effectiveness; and
- xvi To make recommendations to the Council as appropriate.