

## AUDIT COMMITTEE - TERMS OF REFERENCE

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### **Purpose**

It is the role of the Audit Committee to advise and assist the governing body in respect of the entire assurance and control environment of the University.

### **Reports to**

Board of Governors

### **Sub-committees**

Not applicable

### **Occurrence**

At least three times each financial year.

Audit Committee Members and the internal and external auditors may request additional meetings if they consider it necessary.

## TERMS OF REFERENCE

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- 1 To discuss with the external auditors, before the audit begins, the nature and scope of the audit, and to approve the External Audit Plan on behalf of the Board of Governors.
- 2 To review elements of the annual financial statements in the presence of the external auditors, and in accordance with the regulator's accounts directions, including:
  - a) The external audit opinion.
  - b) The statement of Members' responsibilities.
  - c) The statement of corporate governance.
  - d) The statement of internal control – confirming with the internal and external auditors that the effectiveness of the internal control system has been reviewed.
- 3 To discuss with the external auditors any problems and reservations arising from the interim and final audits, including a review of the management letter and any other matters the external auditors may wish to discuss (without the presence of members of the Executive where necessary).
- 4 To consider and advise the Board of Governors on the appointment, re-appointment and terms of engagement of the external and internal audit services, the audit fee, the provision of any non-audit services, and any questions of resignation or dismissal of either service.
- 5 To ensure that the resources made available for internal audit are sufficient to meet the University's needs, and to advise the Board of Governors on addressing any shortfalls.
- 6 To approve the Internal Audit Plan on behalf of the Board of Governors, and consider significant findings of internal audit investigations and management response.
- 7 To review the internal auditors' annual report (Internal Audit Annual Report) and management responses.

- 8 To prepare the Audit Committee's Annual Report to the Board of Governors covering the University's financial year, a summary of the Committee's activity for the year, and any significant issues up to the date of preparing the report. The Annual Report will give the Committee's opinion of the adequacy and effectiveness of the University's arrangements for the following:
  - a) Risk management, control and governance, including the accuracy of the statement of control included within the annual financial statements.
  - b) Sustainability, economy, efficiency and effectiveness.
- 9 To keep under review the effectiveness of risk management, culture, control and governance arrangements.
- 10 To monitor the implementation of agreed audit-based recommendations, from whatever source. This includes other relevant sources of assurance, for example other external reviews.
- 11 To ensure that all significant losses have been thoroughly investigated and that the internal and external auditors – and where appropriate, the Office for Students – have been informed.
- 12 To approve on behalf of the Board of Governors, the University's policies relating to risk management, whistleblowing, material adverse or reportable events, bribery, fraud and irregularity and to consider notifications of any action taken under those policies.
- 13 To satisfy itself that effective arrangements are in place to ensure appropriate and accurate data returns are made to external stakeholders and regulatory bodies.
- 14 In relation to the systems of internal control of related companies, to monitor the measures taken by the Boards of Falmouth Exeter Plus, and other related group companies and to raise any issues of concern with Falmouth's nominated directors of those Boards.
- 15 To receive relevant reports from the National Audit Office, the regulator and other organisations.
- 16 To monitor annually the performance and effectiveness of the external and internal auditors, including any matters affecting their objectivity.
- 17 To promote a culture in which mistakes can be admitted, continual improvement is embraced and constructive challenge is welcomed.
- 18 To periodically (and at a minimum of every four years) undertake a review of the Audit Committee's Terms of Reference and effectiveness, and to recommend any necessary changes to the Board of Governors.
- 19 To carry out such additional duties as may be delegated by the Board of Governors including the power to make decisions on specific issues.

**Authority**

Further to the Terms of Reference stated above:

Audit Committee is authorised by the Board of Governors to investigate any activity within the scope of its Terms of Reference. It is authorised to seek any information it requires to

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conduct its business from any employee, and all employees must cooperate with requests made by Audit Committee.

Audit Committee is authorised by the Board of Governors to obtain outside legal or other independent professional advice, in consultation with the Chair of the Board of Governors and Vice-Chancellor & Chief Executive.

## **MEMBERSHIP**

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- No fewer than three Independent Members of the Board of Governors
- Up to one Co-opted Member from outside of the University with suitable experience who will not be a voting member.

At least one member should have recent relevant experience in finance, accounting or auditing.

The Chair will be determined from the membership of the Audit Committee. The Chair of the Committee will be an Independent member of the Board of Governors.

The Chair of the Board of Governors should not be a member of the Audit Committee.

## **SERVING OFFICER**

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**Servicing Officer** Secretary to the Board of Governors

## **IN ATTENDANCE**

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Executive Director, Finance, Audit and Risk  
External Auditor(s)  
Internal Auditor(s)  
Vice-Chancellor & Chief Executive  
*Other members of staff will be invited to attend for specific agenda items, as necessary to conduct the business of the Committee*

The Committee has the right, whenever it is satisfied that it is necessary and appropriate to:

- Secure the attendance of non-members with relevant experience and expertise
- have a confidential discussion and exclude any or all attendees other than the Servicing Officer.

## **MEETING PROCEDURES**

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**Quorum** At least two Independent Members  
**Meeting dates** Ordinary meeting dates notified at least twelve months in advance.  
**Meeting papers** Meeting papers must be circulated to the membership in advance of the meeting, normally not less than five working days before the meeting is to take place.

<b>Approved by</b>
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Audit Committee on 11 November 2022
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Board of Governors on 25 November 2022
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