

**UNIVERSITY OF DUNDEE
UNIVERSITY COURT**

AUDIT & RISK COMMITTEE

Remit, Terms of Reference and Membership

Remit

To advise University Court in relation to its responsibilities for:

- proper financial management;
- the effectiveness of internal control and management systems;
- safeguarding the assets of the University and public funds;
- the economy, efficiency and effectiveness of the University's activities; and
- corporate governance and conduct of the University's operations.

Membership

The normal membership of the Committee is five members. All members are independent, at least half drawn from the lay membership of University Court, whence also the Convener is drawn. Remaining members are co-opted with the approval of the Governance & Nominations Committee. The term of office for lay members co-opted to serve on the Audit & Risk Committee shall be in line with the period of co-option for members of Court as defined in Statute 9(2)(g).

The quorum for any meeting of the Committee shall be three members, at least one of whom must be a member of the Court.

In Attendance

Convener of the Finance & Policy Committee
Vice-Principal (International)
University Secretary
Director of Finance
Director of Academic & Corporate Governance
Deputy Director of Finance
Internal Auditors
External Auditors
Other officers at the discretion of the Director of Finance

Secretary

Policy Officer (Risk & Audit).

Meetings

The Committee shall meet no less than 4 times in each session. One meeting each year will incorporate a private meeting of the Committee with the internal and external auditors without officers (other than the Secretary to the Committee) present. The Convener may request additional private meetings as deemed appropriate.

Quorum

Three members shall constitute a quorum.

TERMS OF REFERENCE CONSTITUTION AND OPERATION

Membership

- The Committee shall comprise not less than three members of the Court, all of whom shall be lay members, i.e. to the exclusion of members of staff of the University and full-time students.
- The Chairperson of Court shall not be a member of the Committee.
- The Committee may co-opt, with the approval of the Court, additional lay persons with appropriate expertise who are not members of the Court. The number of such co-opted members shall not exceed half of the membership. The term of office for these additional lay members shall be in line with the period of co-option for members of Court as defined in Statute 9(2)(g).
- At least one member of the Committee shall have recent and relevant financial experience.
- The Convener of the Committee shall be appointed by the Court and shall be a member of the Court. In the absence of the Convener at any meeting of the Committee, the Committee shall appoint any of its members as Acting Convener for that meeting.
- No member of the Committee shall concurrently be a member of the Court's Finance & Policy Committee, although the Convener of the Finance & Policy Committee may attend meetings of the Audit & Risk Committee. A reciprocal right of attendance at meetings of the Finance & Policy Committee is granted to the Convener of the Audit & Risk Committee.
- The following skills/experience are particularly valued by the Committee:
 - Knowledge of internal and external audit;
 - Experience in financial management;
 - An accounting or internal audit qualification;
 - Senior management experience in a complex organisation/public body;
 - IT and business systems experience, ideally in a large and complex organisation;

- Advisory and/or consultancy experience (for example as a partner in a corporate finance, law or accounting firm; and
- Experience in the management of Higher Education;

The above skills should be covered by the Committee as a whole, with individual skill-sets contributing towards this.

Authority

- The powers delegated to the Committee by the Court shall be as defined in the Schedule of Delegation.
- The Committee shall have full authority to undertake and review activities associated with any matters within its terms of reference. For the purposes of such activities it shall be provided with adequate resources and full access to information and University personnel.
- The Committee shall have authority to obtain, without prior approval, legal or other independent professional advice within a financial limit determined by the Court (currently £15,000).

Proceedings

- The Committee shall usually meet no less than four times annually and shall report, through submission of the minutes of each meeting, to the next available meeting of the Court.
- Each meeting of the Committee shall normally be attended by the University Secretary, Director of Finance, Director of Academic & Corporate Governance and, where business relevant to them is to be discussed, representatives of the internal and external audit services.
- Other members of the wider University Management Group may be invited to attend meetings as and when appropriate, particularly when internal audits relating to their area of leadership and management responsibility are being considered.
- The Committee's Secretary shall normally be the Policy Officer (Risk & Audit).

The internal and external auditors shall have unrestricted right of access to the Audit & Risk Committee and the Convener and the right to request that the Convener convene a meeting if necessary.

DUTIES AND RESPONSIBILITIES

Effectiveness and Financial Control

- to review the robustness of financial and other control systems and to ensure that the Court's policies on internal control are implemented by delegated officers.
- to ensure that all significant losses have been properly investigated, and that the internal and external auditors and the Funding Council have been informed if appropriate.

- to oversee the University's policy on fraud and irregularity, and to receive regular reports on any incidents of fraud.
- to oversee the University's policy for the prevention of bribery and corruption and the University's gifts and donations policy and to receive reports as appropriate on activity in this area.
- to monitor, annually or more frequently if necessary, the implementation of approved recommendations arising from both internal and external audit reports and management letters.
- to monitor the effectiveness of the internal and external audit services, including attendance at Committee meetings, and promote co-ordination between the two.
- to satisfy itself that suitable arrangements are in place to ensure sustainability, and to monitor the University's arrangements to secure value for money, whether these are made via internal or external audit or other means.
- the Committee shall review the audit plan and assess the appropriateness of the audit coverage of the University's activities over a cycle. Alternative means of assurance should be identified for areas not covered by internal audit.

Risk Management

- to monitor and review the effectiveness of risk management in the University on the basis of regular reports on risk management from the Risk Management Oversight Group and appropriate audit work, and to advise the Court accordingly.
- to review at least twice annually the Institutional Risk Register and make recommendations to the Court in this respect.
- To advise the Court on risks relating to the University strategy.

Internal Audit

- to advise the Court on the approach to internal audit, including the appointment and remuneration of internal auditors.
- to consider and advise the Court on the internal audit needs assessment and the strategic and annual internal audit plans.
- to monitor the auditor's progress, operating over a rolling three-year planning cycle.
- to consider and advise the Court and the auditors on any issues arising from internal audit reports.
- to receive an annual report from the internal audit service, which should include an opinion on the degree of assurance that can be placed on the system of internal control.

External Audit

- to advise the Court on the appointment, remuneration, and independence of external auditors.
- to guide the external auditors on the nature and scope of the audit as necessary.
- to consider and advise the Court on external audit reports and management letters.
- to consider and advise the Court on the University's annual financial statements, ensuring the proper application of agreed accounting policies and the transparency and openness of reporting.
- To review the audit findings at the end of the audit cycle, including any changes in audit approach or any modification to the auditor's report.

- to exercise appropriate oversight over the audit of subsidiaries as well as the University itself.
- In line with the policy set out in Annex 2 to monitor any advisory or other non-audit work undertaken for the University by the external auditors, to ensure that their independence is not compromised.

Other

- To oversee the University's policy on public interest disclosure and receive reports on the outcomes of investigations of public interest disclosures.
- To receive routine reports from the University Solicitor on legal matters involving, or likely to involve, the University
- To ensure the University's compliance with the Funding Council's Code of Audit Practice.
- To receive and review other relevant sources of assurance and reports relating to audit prepared by the Funding Councils, National Audit Office, European Commission and other bodies, and to advise the Court as necessary.
- To make an annual report on the work of the Committee for submission to the Court and the Funding Council. The annual report shall include the Committee's opinion of the adequacy and effectiveness of the University's arrangements for risk management, control and governance, sustainability, economy, efficiency and effectiveness (value for money). The report shall also describe how the Audit & Risk Committee has discharged its duties and should include any significant issues arising during the financial year and the period up to the date of the report.
- To investigate any issues giving rise to the resignation or removal of the auditors, as detailed in any statement from the auditors to the Court, and to consider whether any action is required.
- Monitor annually the performance and effectiveness of external and internal auditors, including any matters affecting their independence and objectivity; performance against agreed programme, scope and time; attendance; staffing continuity, skills mix, quality and seniority of team; timeliness of engagements and reports; clarity and accuracy of reports, and effectiveness of follow-up of previous recommendations.
- Focus on risk and key issues; and openness in discussion with the Committee.

Membership 2022/23

Members Name

Keith Winter (Convener)
Tricia Bey
Andy Lothian
Irene Wilson
Susan Walker

Category

Lay Member of Court
Lay Audit & Risk Committee Member
Lay Audit & Risk Committee Member
Lay Audit & Risk Committee Member

In attendance

Richard Bint
Prof. Wendy Alexander
Peter Fotheringham
Dr Neale Laker

Category

Convener of the Finance & Policy Committee
(Vice-Principal (Internationalisation))
(Director of Finance)
(Deputy Secretary, Director of Academic &
Corporate Governance)
(Chief Operating Officer, University Secretary)
(Risk & Business Continuity Manager)
(Policy Officer, (Corporate Governance) as
Secretary to the Committee))

Dr Jim McGeorge
Dr Liz Rogers
Kenny Stewart