

UNIVERSITY OF LEICESTER

AUDIT AND ASSURANCE COMMITTEE

Terms of Reference and Membership 2025-26

Role:

On behalf of Council, the Audit and Assurance Committee provides oversight of the University's risk management, control and governance arrangements, and the arrangements to provide economy, efficiency and effectiveness. It also advises Council on the University's internal and external audit arrangements, and audit aspects of the financial statements.

The Committee is authorised by Council to investigate any activity within its Terms of Reference. It is authorised to seek any information it requires from any employee, and all employees are directed to cooperate with requests made by the Committee.

The Committee is authorised by the governing body to obtain outside legal or other independent professional advice and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Vice-Chancellor and/or Chair of Council.

Responsibilities:

External Audit

1. To advise Council on the initial appointment and annual re-appointment of the external auditors; the audit fee and the value for money obtained; the provision of any non-audit services by the external auditors; and any questions of resignation or dismissal of the external auditors.
2. To approve the External Audit Strategy and annual plan and provide assurance to Council on the same.
3. To discuss, if necessary, with the external auditors, before the audit begins, the nature and scope of the audit.
4. To discuss with the external auditors, problems and reservations arising from the interim and final audits, including a review of the management letter incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of management where necessary).
5. To monitor annually the performance and effectiveness of external auditors, and to make recommendations to Council concerning their re-appointment, where appropriate.

Internal Audit

6. To consider and advise Council on the appointment and terms of engagement of the internal audit service, the audit fee, the provision of any non-audit services by the internal auditors and any questions of resignation or dismissal of the internal auditors.
7. To approve the internal auditors' audit risk assessment and the audit plan; to consider major findings of internal audit investigations and management's responses; and promote co-ordination between the internal and external auditors. The Committee will ensure that the

resources made available for internal audit are sufficient to meet the institution's needs (or make a recommendation to Council as appropriate).

8. To monitor the implementation of agreed audit-based recommendations.
9. To monitor annually the performance and effectiveness of internal auditors, and to make recommendations to Council concerning their re-appointment, where appropriate.

Effectiveness of Internal Controls, Risk Management and Governance

10. To consider and recommend to Council the University's risk management strategy including policy, appetite and Strategic Risk Register. The Committee should question whether management has considered those risks likely to have the greatest financial, reputational or regulatory impact on the institution¹.
11. On behalf of Council, oversee the implementation of the risk management and keep under review the effectiveness of risk management, control, governance arrangements and the risk culture promoted within the institution.
12. To receive assurance that effective arrangements are in place to ensure appropriate and accurate data returns are made to external stakeholders and regulatory bodies, including the Designated Data Body of the Office for Students (OfS condition of registration F4)
13. To receive assurance that effective arrangements are in place to ensure compliance with statutory, regulatory and legislative requirements, including the Office for Students' conditions of registration and be notified of any reportable events submitted on behalf of the University.
14. On behalf of Council, to provide an escalation point for matters relating to the internal control and risk management of Health and Safety, Safeguarding, and Information Compliance within the University. Consider an annual report on the controls in place to support these areas of operation, any areas of risk, mitigations and future plans for the development of operations.
15. To review any returns required by the Office for Students in relation to compliance with the Prevent statutory duty and confirm the integrity of institutional quality arrangements prior to recommendation to Council for approval.
16. To review the University's annual Anti-Slavery and Human Trafficking Statement for recommendation to Council for approval.
17. To recommend to Council, the University's policies on fraud, financial irregularity and Public Interest Disclosure (whistleblowing), receive assurance on the implementation of policies and be notified of any action taken under these policies.
18. To receive, and consider the implications of, any relevant reports from the National Audit Office, the Office for Students and other organisations.

¹ As set out in Appendix 2, 'The role of the Audit Committee related to ethical and other behaviour', CUC Higher Education Audit Committees Code of Practice (May 2020)

19. To ensure that all significant losses are properly investigated and that the internal and external auditors, and where appropriate the Office for Students, have been informed.
20. To review and recommend to Council for approval, the annual consolidated financial statements of the institution, in the presence of the external auditor, including the auditor's formal opinion, the statement of members' responsibilities, internal control and risk management statements and any corporate governance statement, and to recommend approval by Council.
21. In the event of the merger or dissolution of the institution, ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.
22. To receive and consider an annual report on the University's insurance coverage, along with any associated risks.
23. To consider the equality and inclusivity impact of decisions made by the Committee, and take appropriate action where needed, in accordance with the University's responsibilities under the Equality Act 2010.

Effectiveness of arrangements for Value for Money (economy, efficiency and effectiveness)

24. To satisfy itself that satisfactory arrangements are in place to promote the optimal use of resources by assessing economy (minimising the cost of inputs), efficiency (optimising the relationship between outputs and inputs), and effectiveness (aligning actual outcomes with intended results).
25. To consider the arrangements that support the culture and behaviour that is prevalent within the institution, and ensure the effective management of conflicts of interest and enable the appointment of 'Fit and Proper Persons' to the Council² and senior executive positions.

Annual Report

26. To submit to Council an annual report summarising the work of the Committee for the financial year and for any further period up to the date of preparation of the report. The report will give the Committee's opinions on the extent to which the governing body may rely on the University's internal control and risk management system; its arrangements for securing economy, efficiency and effectiveness; and its systems and controls for the management and quality assurance of external data returns. These opinions will be based upon the information presented to the Committee. The report will also outline any whistleblowing incidents reported to the Committee and the outcome/actions arising from investigations. The annual report will normally be submitted to Council before the members' responsibility statement in the annual financial statements is signed.
27. To undertake a periodic review of its Terms of Reference (normally annually) and of its own effectiveness (at least every three years), and to recommend any necessary changes to Council.
28. To consider, record and address the potential academic freedom and freedom of speech implications of decisions made (in accordance with the Higher Education Freedom of Speech 2023, point 190 regulatory advice 24)

² Currently the responsibility of the Nominations Committee of the Council.

Reports to:

Council

Subcommittees reporting to Audit and Assurance Committee:

Health and Safety Committee

Constitution and membership 2025-26:

The Committee and its Chair shall be appointed on behalf of Council by the Nominations Committee, and shall consist of no fewer than three lay members of Council and, if considered necessary or desirable, additional co-opted members with particular expertise.

At least one member should have a background in finance, accounting or auditing. No member of the Committee may also be a member of the Finance Committee.

Duration of appointment:

For lay members of Council, Audit and Assurance Committee membership is three years and renewable. The maximum length of service will normally be six years.

For the co-opted members of the Audit and Assurance Committee, membership is initially for one year and renewable for a further two years following completion of the first year. Membership can then be renewed for 3 years with the maximum length of service normally being six years.

Normally in attendance at meetings:

Internal Auditors (PwC)
External Auditors (BDO)
Provost and Deputy Vice-Chancellor
Deputy Vice-Chancellor (Professional Services)
Registrar and Secretary
Deputy Secretary & General Legal Counsel
Chief Financial Officer
Director of Operational Finance
Deputy Director of Finance

The Vice Chancellor will normally attend some Committee meetings in the year by invitation of the Chair.

Secretariat:

Governance Office

Frequency of meetings:

The Committee will normally meet at least five times in each academic year.

Quorum:

Three members, one of whom must be a lay member of Council.

Appendix – membership

Constitution and membership 2025-26

Five lay members of Council, appointed by the Nominations Committee

- a. Ms Mary Curnock Cook (Chair)
- b. Mr George Acquah
- c. Dr Glynis Wright
- d. Ms Edith Malemba
- e. Ms Hilary Coyle

Two co-opted lay members

- a. Vacancy
- b. Vacancy

Normally in attendance at meetings:

Internal Auditors (PwC)	
External Auditors (BDO)	
Provost and Deputy Vice-Chancellor	Henrietta O'Connor
Deputy Vice-Chancellor (Professional Services)	Kerry Law
Registrar and Secretary	Geoff Green
Deputy Secretary & General Legal Counsel	Elizabeth Warhurst
Chief Financial Officer	Paul Gowdridge
Director of Operational Finance	Adam Baynes
Deputy Director of Finance	Katherine Inns

In attendance by invitation of the Chair:

Vice-Chancellor	Nishan Canagarajah
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Secretariat:

Governance Office	Kevin Joyce
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