

Audit and Compliance Committee: Membership and Terms of Reference

Composition

The Audit & Compliance Committee shall be composed of at least three independent members of which:

- at least two shall be members who are non-executive directors of the Board and who do not have shares in the company
- one member who is independent of the School and is not a member of the Board.
- no member of the Committee may be an executive of the School or hold shares
- at least one member shall have relevant and recent financial experience
- at least one member shall have experience of management and governance in higher education at Board level;
- the committee as a whole shall have competence relevant to the higher education sector.

Quorum: At least three independent members, of whom one is not a member of the Board, supported by a secretary.

Secretary: The Committee will be supported by the Registrar who may appoint a minute secretary.

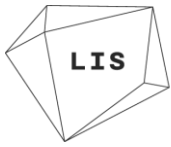
Frequency: the Committee shall meet at least twice a year, and more frequently where necessary (such as at the beginning and end of audit). Where appropriate, the Committee may delegate an individual independent member to meet on its behalf with internal and external auditors and members of the senior management team.

Authority

The Committee is authorised by the Board of Directors 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 co-operate with any request made by the Committee. The Committee is authorised by the Board of Directors 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 Chair of the Board of Directors. However, it may not incur direct expenditure in this respect without the prior approval of the Board of Directors.

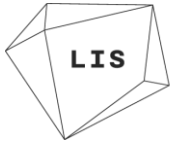
Terms of reference

The Audit & Compliance Committee shall:



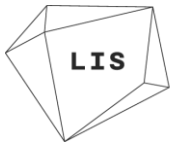
Financial Integrity and Controls

1. Monitor the integrity of the financial statements of the company and any formal announcements relating to the company's financial performance, and reviewing significant financial reporting judgements contained in them.
2. Provide advice (where requested by the Board) on whether the annual report and accounts, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the company's position and performance, business model and strategy.
3. Propose an annual audit plan for agreement by the Board of Directors.
4. Review the company's internal financial controls and internal control and risk management systems.
5. Oversee the financial reporting and disclosure process.
6. Monitor the corporate (including academic) risk register and arrangements and ensure that the risks are reflected in the internal audit programme to ensure the sustainability of the School's operations, and its ability to continue to comply with all of its conditions of registration.
7. Monitor and review the effectiveness of the School's internal control processes and its internal audit function.
8. Make recommendations to the board, about the appointment, reappointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor.
9. Review and monitor the external auditor's independence and objectivity and the effectiveness of the external audit process, taking into consideration relevant UK professional and regulatory requirements.
10. Oversee and receive regular reports on regulatory compliance and internal controls including satisfying itself that the systems used to generate funding data submitted to HESA, OfS and other funding bodies are adequate and effective.
11. Ensure that public funds are managed appropriately, in line with the conditions of grant and the principles of regularity and propriety and to provide transparency about value for money for students, stakeholders and taxpayers.



Remuneration and Nominations

12. Plan the succession of the non-executive members of the Board with due regard to the skill set that the Board requires, and the principles of diversity and inclusion.
13. Ensure that the members of the Board, those with senior management responsibilities, and individuals exercising control or significant influence over the School, are fit and proper persons.
14. Make recommendations to the Board on the appointment of new non-executive members, and on the renewal of non-executive members whose term of office is coming to an end, but who are eligible to be re-appointed for a further term.
15. Make recommendations to the Board on the overall size of the Board's membership.
16. Make recommendations to the Board on the honorarium paid to non-executive members of the Board and its sub-committees.
17. Oversee the selection process for the Chief Executive and make recommendations to the Board on the appointment and remunerations package.
18. Assess the outcome of the Chief Executive's annual appraisal by the Chair of the Board and to ensure that s/he is appropriately remunerated, within the terms of their contract, the School's policy on executive remuneration their performance and the performance of the School and to make recommendations to the Board accordingly.
19. Consider the Chief Executive's report on the Executive Committee's annual appraisals and proposals for their remuneration and to ensure that they are appropriate and fair within the terms of their contract, their performance and the performance of the School, and the School's duties in relation to Equality and Diversity, and to make recommendations to the Board accordingly.
20. Review regularly the appropriateness of the service conditions and benefits framework for all staff, taking account of HE and wider sector trends to ensure that the School remains competitive and attractive in terms of recruitment and retention and recommend any substantive changes with budgetary implications to the Board.
21. Receive reports on redundancy and non-contractual payments to staff e.g. settlement agreements and tribunal costs decided, by the Chief Executive.
22. Approve recommendations to dismiss staff who report directly to the Chief Executive.



Academic Oversight

23. Monitor and review the ability of all students to engage with the governance of the School and that this enables a range of perspectives to have influence.
24. Test assurances that academic governance is adequate and effective and to hold the Academic Council to account, including through the periodic commissioning of External Reviews to benchmark academic governance of the School.
25. Assure the Board of Directors on mechanisms in place to ensure the institution meets its requirements in relation to the quality of educational provision.

Fraud and irregularity

26. Monitor and review the adequacy and effectiveness of controls to prevent and detect fraud, bribery and money laundering.
27. Monitor and review regulatory compliance, ethics, anti-bribery and corruption and whistle-blowing policies and procedures.
28. Monitor the School's approach to compliance with consumer protection law in relation to the provision and publication of information.

Value for money (VFM)

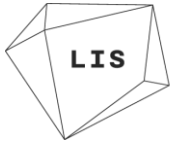
29. Satisfy itself that suitable arrangements are in place to promote economy, efficiency and effectiveness.
30. Review and recommend the annual report on VFM to the Board of Directors.

CMA Compliance

31. Assure compliance with the School's policy on published information.

Effectiveness of the Board of Directors and Academic Council

32. Ensure that the size, composition, diversity, skills mix, and terms of office of the Board of Directors is appropriate for the nature, scale and complexity of the School and that it has sufficient external, independent members.
33. Review nominations to the Board of Directors and ensure that the members of the Board of Directors, those with senior management responsibilities, and individuals exercising control or significant influence over the provider, are fit and proper persons.

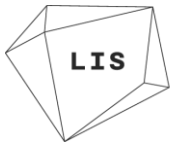


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34. Oversee the effectiveness reviews of the Board of Directors and Academic Council.
35. Commission periodic external reviews of the effectiveness of the School's governance.
36. Conduct a review of its own effectiveness every three years.

Annual Report

37. The Committee shall provide an annual report to the Board of Directors on its findings from review and oversight, confirming or otherwise policies and legislation and providing any recommendations for change or enhancement.



Name of policy/procedure:	Audit and Compliance Committee: Membership and Terms of Reference
Document owner:	Prof. Chris Maguire, Registrar
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Last reviewed:	14/02/2020
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Audited by:	Board of Directors
Date of Audit:	02/2020
Date of next review: (annually unless otherwise agreed)	11/2021
Related documents: (eg associated forms, underpinning processes, related policies or overarching policies)	Governance Overview Board of Directors: Membership and Terms of Reference Code of Ethical Conduct Anti-Bribery and Corruption Policy Whistleblowing Policy and Procedure

Version Control			
Version	Author	Date	Brief summary of changes
1	Chris Maguire (Registrar)	03/02/2020	Original draft
2	Board of Directors	10/02/2020	Approved