



Opportunity for an Independent member of the ACU Audit and Risk Committee

Background

The Association of Commonwealth Universities (ACU) is seeking to co-opt an independent member of its Audit and Risk Committee (ARC), with specific knowledge and experience of investment management, ideally in the UK sector, to help strengthen its governance framework.

A UK registered Charity, operating under a Royal Charter, the ACU is the world's first and oldest international university network, established in 1913, and governed by a Council, comprising of Executive Heads of ACU member universities from across the Commonwealth.

The ACU has over 400 universities across the Commonwealth in membership and champions higher education as a cornerstone of stronger societies, supporting its members, partners, and stakeholders as they adapt to a changing world.

Dedicated to building a better world through higher education, international collaboration is central to this ambition: by bringing universities together from around the world – and crucially the people who study and work within them – the ACU helps to advance knowledge, promote understanding, broaden minds, and improve lives.

More information on the ACU can be found [here](#).

Governance

The ACU is governed by a Council of up to 23 members, who act as Trustees, plus an Executive Committee, an Audit and Risk Committee, and a Remuneration Committee.

The Audit and Risk Committee currently comprises five members of Council, and one external independent member and the Chair is seeking to co-opt an additional independent member.

The primary responsibilities of the Audit and Risk Committee can be found in *Appendix 1*.

The ACU has appointed two investment management companies that are responsible for managing the endowment funds.

This position specifically seeks someone that can:

- Provide input and strategic advice to the ACU Council to enhance decision making around investments, in line with the organisations values and agreed strategy.
- Help monitor and evaluate the ACU's investment strategy, and outcomes, against its strategic objectives.
- Maintain strong relationships with members of Council and its Committees as well as the ACU's Secretary General and CEO, Chief Finance Officer, and Director of Finance.

The role of charity board members is unremunerated, although out-of-pocket expenses will be reimbursed in line with ACU's policies.



Commitment:

The Committee meets twice per year (virtually), normally in May/June and October, although there may be occasions when an Extraordinary Meeting is convened if deemed necessary for the work of the Committee.

Board members are expected to fully participate in all meetings, preparing in advance according to the contents of the agenda and papers, which are shared in advance.

There will also be a small amount of correspondence with the ACU's Secretary General and CEO, Chief Operating Officer, Chair of the Committee, and the ACU's Governance Manager outside of meetings.

Person specification:

As well as a commitment to ACU's vision, mission, and values, and a way of working that demonstrates this, the successful candidate will be someone with executive and charity governance experience, including the following:

- Previous fund management experience with an understanding of factors affecting long-term investment performance.
- An understanding of UK charity commission guidance around investment management
- A deep understanding of ESG considerations (both in terms of protecting shareholder value over the longer term and mitigating reputational risk)
- Being CFA qualified would be an advantage in this role but is not an essential requirement.

Term of Office:

Up to three years, with the possibility to extend for a further three years

How to apply:

Your application, which should be submitted to the ACU's Governance Manager, jackie.middleton@acu.ac.uk, should include:

- A short letter outlining your motivation and relevant experience.
- A CV showing relevant executive and governance experience.

Application closing date: Tuesday 24 September 2024.

Interviews: w/b Monday 30 September 2024



Terms of Reference for the Audit and Risk Committee

1. Membership

The Audit and Risk Committee will comprise five members; four will be serving members of the Council, one of whom (normally a UK-based member of the Council) will be appointed by the Council as Chair. The fifth place on the Committee will be filled by an independent member. The Chair of the Audit and Risk Committee will have the power to co-opt additional members should the need arise.

2. Frequency of Meetings

The Committee will meet at least twice a year.

3. Quorum

The Committee will be quorate if three of its members attend the meeting (in person or remotely). If the Chair of the ARC is not present, another Member will assume the Chair by agreement. The Secretary General of the ACU, Chief Finance Officer, and Director of Finance, will normally attend meetings. However, the Committee may, at its discretion, wish to meet independently to consider any items.

4. Responsibilities

External Audit

- To advise the ACU Council on the appointment and terms of engagement of the External Auditors, the audit fee, the provision of any non-audit services by the External Auditors and any questions of resignation or dismissal of the External Auditors.
- To note the nature and scope of the external audit.
- 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).
- To consider elements of the annual financial statements in the presence of the External Auditors, including the Auditors' formal opinion and the statement of members' responsibilities.
- To monitor annually the performance and effectiveness of the External Auditors, including any matters affecting their objectivity, and to make recommendations to the ACU Council concerning their reappointment, where appropriate.

Internal Audit

- To consider and advise the ACU Council on the appointment and terms of engagement of internal audit services, 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.
- Be responsible for the ACU's internal audit programme, agreeing the annual audits, audit timetable and receiving the internal audit reports. Monitor the implementation of agreed audit-based recommendations.



- Review the Internal Auditors’ audit risk assessment and strategy; consider major findings of internal audit investigations and management’s response 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 ACU’s needs (or make a recommendation to the Council as appropriate).
- Monitor annually the performance and effectiveness of Internal Audit, including any matters affecting their objectivity, and to make recommendations to the ACU Council concerning their reappointment, where appropriate.

Financial Reviews

- Review the management accounts and ensure that all significant unbudgeted losses have been properly investigated and satisfy itself that satisfactory arrangements are in place to promote economy, efficiency, and effectiveness.
- Review the budget proposal for the following year and recommend the budget to Council for approval.

Governance

- Receive reports on Safeguarding matters, fraud, or serious incidents. The Chair of the Audit and Risk Committee is a Designated Officer within the terms of the Association’s Public Interest Disclosure (“Whistleblowing”) Policy.
- Keep under review the effectiveness of the risk management, control, and governance arrangements, and in particular review the External Auditors’ management letter, the Internal Auditors’ annual report, and management responses.
- Monitor the ACU’s policy on fraud and irregularity, including being notified of any action taken under that policy.
- Consider and deal as appropriate with other such issues or matters referred to it by the ACU Council or the Secretary-General. Report and make recommendations to the ACU Council and Secretary-General as appropriate.
- Received an annual report on matters relating to GDPR.
- Oversee audit reviews completed for CSC, SEDA, HEDG and ICED and note the annual financial inspection report.
- Monitoring the performance of investments held with fund managers. The investment managers will be invited to present to the Audit and Risk Committee once a year, with a separate report presented to Council at each meeting.
- Review and approve policies including Travel and Subsistence for Council, Investment Management Statement and Financial Regulations.
- Note Board expenses paid each year.



Schedule of Business

Items	May/June Meeting	November Meeting
<i>Governance</i>		
➤ Safeguarding and Serious Incident Report	X	X
➤ GDPR report	X	X
➤ Risk Register	X	X
➤ Policy review	X	X
<i>External Audit</i>		
➤ Annual Report and Financial Statement (ACU)		X
➤ Audit Findings Report (ACU)		X
➤ External Contract Administration	X	
<i>Internal Audit Reports</i>		
	X	X
<i>CFO Update</i>		
➤ General Update	X	X
➤ Management Accounts	X	X
<i>Investment Management Review</i>		
➤ Newton Presentation		X
➤ CCLA Presentation	X	



Risk Management

Note: As part of the operation of the Audit and Risk Committee, the Committee will oversee the following:

Risk management as part of the system of internal control

1. The system of internal control incorporates risk management. This system encompasses a number of elements that together facilitate an effective and efficient operation, enabling the institution to respond to a variety of operational, financial, and commercial risks. These elements include:
 - a. *Policies and procedures*
Attached to significant risks are a series of policies that underpin the internal control process. The policies are Executive Team by the Council and implemented and communicated by the Executive Team to staff. Written procedures support the policies where appropriate.
 - b. *Regular reporting*
Comprehensive regular reporting is designed to monitor key risks and their controls. Decisions to rectify problems are made at regular meetings of the Executive Team and the Trustees if appropriate.
 - c. *Business planning and budgeting*
The business planning and budgeting process is used to Executive Team objectives, agree action plans, and allocate resources. Progress towards meeting business plan objectives is monitored regularly.
 - d. *High level risk framework (major risks only)*
This framework is compiled by the Executive Team (in conjunction with the Audit and Risk Committee) and helps to facilitate the identification, assessment, and ongoing monitoring of risks significant to the ACU. The document is formally appraised by Council on an annual basis.
 - e. *Departmental risk framework*
Senior managers are involved in developing the risk assessment and use this framework to ensure that risks in their departments/activities are identified, assessed, and monitored. The document is formally appraised annually but emerging risks are added as required, and improvement actions and risk indicators are monitored regularly by the Executive Team.
 - f. *External audit*
External audit provides feedback to the Council/Audit and Risk Committee on the operation of the internal financial controls including risk management as part of the annual audit.
 - g. *Third party reports*
From time to time, the use of external consultants will be necessary in areas such as health and safety, and human resources. The use of specialist third parties for consulting and reporting can increase the reliability of the internal control system.



Annual review of effectiveness

1. The Audit and Risk Committee is responsible for reviewing the effectiveness of Risk Management at the ACU based on information provided by the Executive Team. Its approach is outlined below.
2. For each significant risk identified, the Committee will:
 - review the previous year and examine the ACU’s track record on risk management and internal control
 - consider the internal and external risk profile of the coming year and consider if current internal control arrangements are likely to be effective.
3. In making its decision the Committee will consider the following aspects:
 - a. *Control environment:*
 - the ACU’s objectives and its financial and non-financial targets
 - organisational structure and calibre of the Executive Team
 - culture, approach, and resources with respect to the management of risk
 - delegation of authority
 - public reporting.
 - b. *On-going identification and evaluation of significant risks:*
 - timely identification and assessment of significant risks
 - prioritisation of risks and the allocation of resources to address areas of high exposure.
 - c. *Information and communication:*
 - quality and timeliness of information on significant risks
 - time it takes for control breakdowns to be recognised or new risks to be identified.
 - d. *Monitoring and corrective action:*
 - ability of the institution to learn from its problems
 - commitment and speed with which corrective actions are implemented.

The Audit and Risk Committee will prepare a report of its review of the Risk Management process, together with an evaluation of the major risks and the steps taken to mitigate those risks, annually for consideration by the Council.