

APPENDIX A – Audit Committee Constitution, Membership, Terms of Reference and Details of Meetings.

A. Constitution of the Audit Committee

The Constitution of the Audit Committee is set out in [Special Ordinance A \(v\)](#) and [Chapter XIII](#) of the *Statutes and Ordinances of the University of Cambridge*, as follows:

1. There shall be a standing committee of the Council, called the Audit Committee, which shall consist of:
 - (a) a member of the Council in class (e) (as referred to in Statute A IV 2(e)) appointed by the Council to serve as Chair of the Committee;
 - (b) two members of the Council appointed by the Council from among its members who are members of the Regent House, provided that neither the Vice-Chancellor, a Pro-Vice-Chancellor, nor the Head of a School shall be eligible to serve;
 - (c) four persons, not being members of the Regent House or employees of the University, appointed by the Council with regard to their professional expertise and experience in comparable roles in corporate life, including at least two members with experience of finance, accounting or auditing;
 - (d) not more than three persons co-opted by the Committee, provided that it shall not be obligatory for the Committee to co-opt any person or persons. If there are co-opted members, at least one shall be a member of the Regent House who is not a member of the Council, and, if there is more than one, there shall be either one further member of the Regent House who is not a member of the Council and/or one external member, or two external members, provided that only one of the external members may be a member of the Council in class (e) (as referred to in Statute A IV 2(e)).
2. Members in classes (a), (b) and (c) shall be appointed in the Michaelmas Term to serve for four years from 1 January next following their appointment or for the same period plus the remainder of the term of the departing member if that remainder is less than one year. In the event that Council membership ceases, Audit Committee membership will expire simultaneously. No member may serve for more than two consecutive periods of appointment or eight consecutive years whichever is the longer. Co-opted members shall serve for such period as the Committee shall determine at the time of their co-optation.
3. No person may be a member of the Audit Committee who is a member of the Finance Committee. If a member of the Audit Committee becomes a member of the Finance Committee, her or his place shall thereupon become vacant.
4. No decision of the Audit Committee shall have any binding effect unless there are at least five members, three at least of these being external members, present at a meeting of the Audit Committee. If a decision is the subject of a vote and there is an equality of votes cast, the Chair, or Acting Chair, as the case may be, shall be entitled to give a second or casting vote.
5. In the absence of the Chair of the Committee, the Audit Committee shall elect an acting Chair from the external members present.

B. Terms of Reference

The Audit Committee's Terms of Reference are set out in [Section 1, Chapter XIII Finance and Property, p. 1072](#) of the *Statutes and Ordinances of the University of Cambridge*.

1. The Audit Committee shall meet at least once a term in each financial year. It shall be the duty of the Committee:
 - (a) to keep under review the University's risk management strategy and implementation;
 - (b) to keep under review the effectiveness of the University's systems of financial and other internal control;
 - (c) to satisfy itself that satisfactory arrangements are adopted throughout the University for promoting economy, efficiency and effectiveness;
 - (d) to advise the Council on matters relating to the external auditors, including their appointment, their services, their remuneration, and any questions relating to the resignation or dismissal of auditors;
 - (e) to review annually with the external auditors the nature and scope of the external audit;
 - (f) to consider, in consultation with the external auditors, (i) any statements annexed to the annual accounts of the University, including the auditors' report, and (ii) any statement provided by the Council on the governance of the University;
 - (g) to approve the approach to internal audit;
 - (h) to approve proposals for the programme of internal audit work put forward by the internal auditors and to ensure that sufficient resources are made available to implement the internal audit programme effectively;
 - (i) to consider any reports submitted by the auditors and to monitor the implementation of any recommendations made by the auditors, both external and internal;
 - (j) to monitor annually the performance and effectiveness of the external and internal auditors;
 - (k) to oversee the University's policy on fraud and irregularity, and to ensure that the Committee is informed of any action taken under that policy;
 - (l) to ensure that all significant losses are properly investigated and that the internal and external auditors, and where appropriate, other authorities and regulators, are informed;
 - (m) to satisfy itself as to the appropriateness of risk management, assurance and audit processes of Cambridge University Press and Assessment;
 - (n) to make an annual report to the Council, and to other authorities and regulators as required;
 - (o) to receive reports from authorities and regulators, and to advise the Council thereon;
 - (p) to forward minutes of the Committee's meetings to the Council.

C. Membership 2022–23

| | |
|----------------------|---|
| Chair: | Mark Lewisohn (30 August 2022 – 31 December 2022); Gaenor Bagley (1 January 2023 – 31 July 2023) |
| Secretary: | Dr Elle Bateman, Head of Assurance |
| Assistant Secretary: | Dr Rebecca Kenny, Senior Administrator (Risk and Assurance) (until March 2023) |

There were changes in membership over the course of the year which are noted in the table below.

Table 1: Membership of the Committee, 2022–23

| Class of Membership | Name of member | Limit of Tenure |
|--|---|------------------|
| (a) Chair and External Member of the Council | Mark Lewisohn (until 31 December 2022) | 31 July 2023 |
| | Gaenor Bagley (from 1 January 2023) | |
| (b) Members of Council | Dr Ruth Charles (until 31 December 2022) | 31 December 2026 |
| | Dr Pieter van Houten (from 1 January 2023) | |
| | Professor Richard Penty (until 31 December 2022) Baroness Sally Morgan | |
| (c) External Members | Dr Nneka Abolukwe (until 30 June 2023) | 31 December 2023 |
| | Mr Gary Ernest | 31 December 2023 |
| | Mr David Germain | 31 December 2024 |
| | Ms Elly Hardwick | 31 December 2024 |
| (d) Co-opted Members | Mr Robert Gardiner (until 30 September 2023) | 31 December 2024 |
| | Professor Tony Green | 31 December 2024 |

a. **Process of Appointment**

Members are appointed to the Audit Committee by the Council of the University. Membership nominations are made to the University's Council's Advisory Committee of Committee Memberships and External Nominations, except in the case of class (d) members who are co-opted by the Committee on the basis of recommendations received.

b. **University Officers and Auditors**

The Audit Committee invites certain senior University officers and the University's external and internal auditors to attend unreserved meetings. It also invites other colleagues and external speakers to attend for specific agenda items or to present on a particular area of operation or risk.

The Audit Committee also invites the Chair of the Press and Assessment Board ('PAB') Audit and Risk Committee to attend all meetings and to make biannual reports. The Chair of the PAB Audit and Risk Committee is Mr Jonathan Scott, who represents the PAB Audit and Risk Committee on the University Audit Committee.

The Vice-Chancellor is invited to address the Audit Committee annually.

Table 2: Senior Officers, Auditors and other colleagues invited to attend meetings during 2022–23

| Position | Name |
|---|--|
| Acting Vice-Chancellor | Dr Anthony Freeling |
| Vice-Chancellor Elect | Professor Debbie Prentice |
| Registrar | Ms Emma Rampton |
| Chief Financial Officer | Mr Anthony Odgers |
| Director of Finance | Mr David Hughes |
| Senior Pro-Vice-Chancellor | Professor Andy Neely |
| Director of the Governance and Compliance Division | Dr Regina Sachers |
| Internal Auditor – Deloitte LLP | Ms Morag Childs Mr Nicholas Fosh Ms Rayna Chacko |
| External Auditor – PricewaterhouseCoopers LLP | Ms Claire Lake Mr Andy Grimbley Ms Danel Hugo |
| Chair of the Press and Assessment Board Audit and Risk Committee | Mr Jonathan Scott |
| Apprentice, Governance Apprenticeship Programme | Mr Ralf Preusser |
| Director of Health, Safety and Regulated Facilities | Dr Martin Vinnell |
| Director of Governance and Assurance, Safety Office | Ms Anne-Marie Farmer |
| Head of the University Research Office | Dr Peter Hedges |
| Director of University Information Services | Mr Ian Leslie |
| Deputy Director, Human Resources | Ms Thuy Niven |
| Group Financial Controller and Deputy Director of Finance, Finance Division | Mr Daniel Benham |
| Head of Group Financial Reporting, Finance Division | Mr Stephen Peacock |
| Assurance Coordinator, Governance and Compliance Division | Mr Alex Day |
| Head of Research Operations Office and Deputy Head of the Research Office | Ms Jo Dekkers |
| Chief Information Security Officer | Mr Vijay Samtani |
| Deputy Chief Information Security Officer | Dr Gabriela Ahmadi-Assalemi |
| Head of Data and Information Compliance, Governance and Compliance Division | Dr James Knapton |
| Director of Estates | Mr Graham Matthews |
| Interim Head of Sustainability | Dr Sally Pidgeon |
| Interim Deputy Head of Sustainability | Mr Jo Guy |
| Head of Business Systems and Services, UIS | Mr Ron Chambers |
| Interim Head of Group Procurement | Mr Ken Bruce |
| Head of Strategic Change and Delivery, Change and Programme Management Office | Ms Lucy Hargreaves |
| Senior Resources Analyst, Finance Division | Dr Ellen Friel |
| Technology and Innovation Lead, Estates Division | Mr Chris Hinton |
| UIS Product Lead | Mr Alex Blandford |
| Head of Estates Finance | Mr Kevin Edwards |
| Senior Project Leader, Estates Division | Mr David Smith |
| Head of Business Information and Strategic Insights, Academic Financial Planning and Analysis | Dr Katya Samoylova |
| Head of Communicable Disease Operations | Dr Gillian Weale |

D. Meetings

The table below provides information on meeting dates and attendance.

Table 3: Attendance at meetings, FY 2022–23

| Date | Members and associated Class | | | | | Senior Officers & Guests | Auditors | Apologies ¹ | Quorate |
|----------|------------------------------|-----|-----|-----|-------|--------------------------|----------------------------|------------------------|-------------------------------|
| | (a) | (b) | (c) | (d) | Total | | | | |
| 12/10/22 | 1 | 1 | 3 | 1 | 6 | 12 | Internal: 2 External: 1 | 4 | Yes |
| 17/11/22 | 1 | 2 | 3 | 2 | 8 | 15 | Internal: 2 External: 3 | 2 | Yes |
| 19/01/23 | 1 | 2 | 4 | 2 | 9 | 13 | Internal: 2 External: 1 | 1 | Yes |
| 09/03/23 | 1 | 2 | 3 | 1 | 7 | 16 | Internal: 2 External: 0 | 7 | Yes – in part ² |
| 11/05/23 | 1 | 2 | 4 | 2 | 9 | 14 | Internal: 2 External: 3 | 2 | Yes |
| 06/07/23 | 1 | 2 | 3 | 2 | 8 | 18 | Internal: 2 External: 1 | 2 | Yes |

E. List of Internal Audit Reports Considered

The table below lists those internal audit reports considered by the Audit Committee at its meetings during the 2022–23 academic year.

| Audit Committee Meeting | Audit Title | Included in Internal Auditor's 2022–23 Annual Report? |
|-------------------------|---|---|
| 12 October 2022 | Data Quality Review – HE-BCI follow up | No |
| | Non-Pensionable Additional Payments (NPAPs) | No |
| 17 November 2022 | IT Disaster Recovery | No |
| | Health and Safety Risk Management and Assurance | No |
| | Carbon Reduction Targets | No |
| | Subsidiaries Framework Workshop | No |
| 9 March 2023 | Fundraising | Yes |
| | Change and Programme Management Board | Yes |
| | Department of Geography IT Defragmentation Report | Yes |
| 11 May 2023 | International Student Immigration | Yes |
| | Marie Curie Individual Fellowships Mobility and Secondment Requirements | Yes |
| 6 July 2023 | Staff Immigration | Yes |
| | Payroll | Yes |
| | North West Cambridge Cost Control | Yes |

¹ Figures refer to Committee members, senior officers and the Chair of the Press and Assessment Board Audit and Risk Committee.

² The latter part of the unreserved business section and the reserved business section of the meeting was not quorate. Matters requiring approval were approved via circulation following the meeting.

The table below lists those internal audits where fieldwork was completed during the 2022–23 academic year, but which have not been included in the Annual Report, as the reports will be considered by the Committee during the 2023–24 academic year.

| Audit Committee Meeting | Audit Title | Included in Internal Auditor’s 2022–23 Annual Report? |
|--------------------------------|---------------------------------------|--|
| 12 October 2023 | Conflicts of Interest | Yes |
| | General Departmental IT Controls | Yes |
| | Student Bursaries | Yes |
| | Estates Financial Contract Management | Yes |

APPENDIX B

Deloitte LLP

Internal Audit Annual Report 2022–23 for the University of Cambridge

[Not reproduced]

APPENDIX C

Corporate governance

1. The following statement is provided by the Council to enable readers of the financial statements to obtain a better understanding of the arrangements in the University for the management of its resources and for audit.
2. The University endeavours to conduct its business in accordance with the seven principles identified by the Committee on Standards in Public Life (selflessness, integrity, objectivity, accountability, openness, honesty and leadership). The University complies with the Voluntary Higher Education Code of Governance as revised in September 2020 by the Committee of University Chairs.

Under the University's Statutes, the governing body of the University is the Regent House, which comprises some resident senior members of the University and the Colleges, together with the Chancellor, the High Steward, the Deputy High Steward, the Commissary and the external members of the Council. The approval of the Regent House is required for changes to the University's Statutes and Ordinances and for any other matter for which, in Statute or Ordinance, the University's approval must be obtained; the Council and the General Board may also decide to seek the Regent House's approval on questions of policy, which are considered likely to be controversial. The Council of the University is the principal executive and policy-making body of the University, with general responsibility for the administration of the University, for the planning of its work, and for the management of its resources. The Council has a majority of internal members and is chaired by the Vice-Chancellor. Its membership includes four external members, one of whom chairs the Audit Committee (see paragraphs 4 and 7 below). The Statutes provide for the appointment of a Deputy Chair of the Council, normally one of the external members, to take the chair as necessary or when it would be inappropriate for the Vice-Chancellor to do so, in particular in relation to the Vice-Chancellor's own accountability. The General Board of the Faculties is responsible for the academic and educational policy of the University. The annual reports of the Council and the General Board are published on the University's website and are submitted to the Regent House for comment and approval.
3. The University is an exempt charity and is subject to regulation by the Office for Students (OfS). The members of the University Council are the charity trustees and are responsible for ensuring compliance with charity law.
4. The Council is advised in carrying out its duties by a number of committees, including the Finance Committee, the Audit Committee, the Planning and Resources Committee, the Human Resources Committee, the Remuneration Committee, and the Committee on Benefactions and External and Legal Affairs. The Finance Committee advises the Council on the management of the University's assets, including real property, monies and securities. The Audit Committee, which has a majority of external members, governs the work of the internal and external auditors, reporting on these matters directly to the Council. In addition, the Audit Committee reviews the University's risk management processes to ensure that they are adequate and effective. The Planning and Resources Committee (PRC) and the Human Resources Committee (HRC) are joint Committees of the Council and the General Board. The PRC's responsibilities include the preparation of the University's budget. The HRC advises the Council on matters concerning equality and diversity and equal and gender pay, providing an annual equality monitoring report, and on the policy framework governing staff-related matters, including the University's policy on public disclosure (whistleblowing). The Remuneration Committee is chaired by an external member of the Council and approves market pay cases, incentive schemes and severance pay cases for senior staff as well as payments to external members of University bodies and committees. It provides advice to the Council on remuneration (including on compliance with the Higher Education Senior Staff Remuneration Code), succession planning and diversity, as appropriate, and it also reviews the University's public disclosures relating to remuneration. The Committee on Benefactions and External and Legal Affairs (CBELA) considers matters likely to have an impact on the reputation of the University, including advising the Vice-Chancellor on the acceptability of donations. The Property Board oversees the development, management and stewardship of the University's non-operational estate, including the West and North West Cambridge sites. It reports to the Council's Finance Committee. The Press and Assessment Board advises the Council on matters concerning the University Press & Assessment.
5. Under the terms of the OfS' Terms and Conditions of funding for higher education institutions and the Terms and Conditions of the Research England grant between the University and the OfS, the Vice-Chancellor is the Accountable Officer of the University.

Corporate governance (continued)

6. Under the University's Statutes, it is the duty of the Council to exercise general supervision over the finances of all institutions in the University; to keep under review the University's financial position and to make a report thereon to the University at least once in each year; to recommend bankers for appointment by the Regent House; and to prepare and publish the annual accounts of the University in accordance with UK-applicable accounting standards such that the accounts give a true and fair view of the state of affairs of the University.
7. It is the duty of the Audit Committee to keep under review the University's risk management strategy and implementation; to keep under review the effectiveness of the University's internal systems of financial and other controls and governance; to advise the Council on the appointment of external and internal auditors; to consider reports submitted by the auditors, both external and internal; to monitor the implementation of recommendations made by the internal auditors; to satisfy itself that satisfactory arrangements are adopted throughout the University for promoting Value for Money (economy, efficiency and effectiveness); to monitor the University's management and quality assurance of data submitted to the OfS and other bodies; to establish appropriate performance measures and to monitor the effectiveness of external and internal audit; to monitor incidences of fraud and other irregularities and their reporting to OfS as appropriate; to make an annual report to the Council and to receive reports from the OfS and other regulators. Membership of the Audit Committee includes, as a majority, 5 external members (including the Chair of the Committee), appointed by the Council with regard to their professional expertise and experience.
8. There are Registers of Interests of Members of the Council, the General Board, the Finance Committee, and the Audit Committee, and of the senior administrative officers. Declarations of interest are made via an annual declaration of interests process. In addition, interests that relate to particular agenda items are noted at the start of each meeting. All members of the Council were routinely asked to self-certify against the OfS indicators of a 'fit and proper person' at the beginning of their tenure as trustees. Council members and senior officers are encouraged to have particular regard to the seven principles of public life, supported by the University's management and governance arrangements.

Statement of internal control

1. The Council is responsible for maintaining a sound system of internal control that supports the achievement of policies, aims, and objectives, while safeguarding the public and other funds and assets for which the Council is responsible, in accordance with the Statutes and Ordinances and the Office for Students' (OfS) Terms and Conditions of funding for higher education institutions and the Terms and Conditions of the Research England grant.
2. The system of internal control is designed to identify the principal risks to the achievement of policies, aims, and objectives, to evaluate the nature and extent of those risks, and to manage them efficiently, effectively, and economically on an ongoing basis. The system of internal control is designed to manage, rather than eliminate, the risk of failure to achieve policies, aims, and objectives; it, therefore, provides reasonable, but not absolute, assurance of effectiveness.
3. A risk management framework, continued to be in place for the year ended 31 July 2023 and up to the date of approval for the financial statements. The framework is in accordance with OfS guidance.
4. The Council is responsible for ensuring that a sound system of internal control is maintained. The following principles of internal control have been established and applied as described below:
 - a. The Council receives periodic reports from the Chair of the Audit Committee concerning internal control and risk management, together with the minutes of all meetings of the Audit Committee.
 - b. The Audit Committee reviews the University's policy against bribery and corruption on an annual basis.
 - c. The Audit Committee receives regular reports from the University's internal auditors, Deloitte LLP, which include the internal auditors' independent opinion on the adequacy and effectiveness of the University's system of internal control and risk management, together with recommendations for improvement.
 - d. The Council has delegated to the Audit Committee the responsibility for reviewing the University's risk management processes to ensure that they are adequate and effective. Risk management is a standing item on the Audit Committee agenda and is the driving element in the design of the annual internal audit programme of work.
 - e. The Audit Committee's annual report (which is submitted to the Council), sets out how risks are identified and evaluated, how risk management is embedded in ongoing operations and reviews the effectiveness of the risk management framework. The annual report also considers the University's arrangements for the prevention and detection of corruption, fraud, bribery and other irregularities.
 - f. The University's senior leadership team is responsible for identifying and managing risks across the University's activities, within the context of the University's priorities and objectives. The review of risks encompasses business, operational, compliance, financial, and reputational risks.
 - g. All identified risks are evaluated using a common framework for scoring that considers both the likelihood and impact of risks becoming a reality. The scoring guidance for evaluating risks prompts risk owners to consider the following categories of impact: finance, compliance, safety, service delivery (operational), reputation, and people.
 - h. The risk management framework applies across the University's institutions, with further guidance and information provided to those who own or manage University, School, Faculty or Departmental risks (primarily through web-based resources and training). Risk assessment underpins the University's programme of internal audit work.
 - i. The University's Risk Register identifies those risks that are considered to have a fundamental impact on the University's ability to deliver its mission or to operate effectively. The risk register is considered and formally approved by the Council at least annually, enabling it to receive direct updates on the evaluation and management of risks.
5. The Council is also responsible for reviewing the effectiveness of the system of internal control. The Council's review of the effectiveness of the system of internal control is informed by:
 - a. the work of the University's internal auditors, Deloitte LLP, as reported to the Council through the Chair of the Audit Committee, the Audit Committee's annual report and the minutes of all meetings of the Audit Committee;
 - b. the work of the senior officers and the risk owners within the University, who have responsibility for the development and maintenance of the internal control framework; and
 - c. comments made by the external auditors in their management letter and other reports.
6. Deloitte LLP, as the University's internal auditors, provided reasonable assurance over the overall adequacy and effectiveness of the University's arrangements for risk management, governance, value for money and internal controls, except for certain ongoing focus areas where the University is taking steps to further enhance controls. No significant control weaknesses or failures which require disclosure were identified during the 2022-23 financial year, or up to the date of approval of the financial statements.

APPENDIX D

Annual Assurance meeting and Bursars' Committee Value for Money Report

[Not reproduced]

APPENDIX E**Deloitte LLP – fees for internal audit work 2022 – 23**

| | Number of days* | Cost (excluding VAT) | Cost (including VAT) |
|-----------------------|------------------------|-----------------------------|-----------------------------|
| Completion of 2021–22 | 19.5 | £29,918.50 | £35,902.20 |
| Audit work in 2022–23 | 251.0 | £412,464.00 | £494,956.80 |
| Total | 270.5 | £442,382.50 | £530,859.00 |

Deloitte LLP – fees for other work (commissioned outside of the internal audit plan) 2022 – 23

| | Number of days* | Cost (excluding VAT) | Cost (including VAT) |
|------------------------------|------------------------|-----------------------------|-----------------------------|
| Additional Audits Requested^ | 98.5 | £110,963.00 | £133,155.60 |
| Total | 98.5 | £110,963.00 | £133,155.60 |
| Total | 369.0 | £553,345.50 | £664,014.60 |

* 'Audit Work in 2022–23' includes three fixed fee audits.

^ Including the Institute of Astronomy Key Financial Controls and HR Transformation Programme (both were paid for locally by departments and the work was conducted at their request); Department of Geography IT Defragmentation Project; Marie Curie Individual Fellowships Mobility and Secondments; and OfS Conditions Workshop.

APPENDIX F**External audit fees and non-audit fees analysis for year to 31 July 2023**

| Entity and service | Fees (excluding VAT) |
|---|-------------------------------------|
| PricewaterhouseCoopers LLP and overseas network firms – fees for 2022/2023 audit work (External audit work for the Academic University, Cambridge University Press & Assessment, subsidiaries, standalone CUEF financial statements and University of Cambridge Investment Management Limited – Client asset work). | £1,952,550 |
| PricewaterhouseCoopers LLP – non audit fees in respect of standalone environmental report | £56,800 |
| Total audit fees | £1,952,550 |
| Total non-audit fees | £56,800 |
| Total PwC fees | £2,009,350 |

The above are subject to final confirmation and audit.

APPENDIX G

List of internal audits considered by the Press and Assessment Board Audit and Risk Committee

[Not reproduced]