AUDIT AND RISK COMMITTEE
TERMS OF REFERENCE

PARENT BODY: Council

PURPOSE

The London School of Hygiene and Tropical Medicine (LSHTM) Council – the governing body – established the Audit and Risk Committee (ARC) to advise and assist Council in respect of the entire assurance, control and risk environment of LSHTM.

The Committee oversees LSHTM's arrangements for external and internal audit, financial control and risk management, providing assurances in these key areas through its annual report to Council, which is shared with the Office for Students (OfS) and by request with Research England.

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 employees are directed to co-operate with any request made by the Committee.

1. External and Internal Audit

1.1. To commission a competitive tendering process:

i. For external audit services at least every five years; and
ii. For internal audit services at least every five years.

1.2. To make recommendations to Council (at least annually) on the appointment of external and internal auditors and annual audit fees and advise on any questions of resignation or dismissal of the auditors.

1.3. To oversee external and internal audit services by:

i. Promoting co-ordination between external and internal audit services;
ii. Providing input to, and approving, an annual external audit strategy, the internal auditor's strategy and annual programme of work including the number of audit days;
iii. Reviewing reports and recommendations from the external and internal auditors;
iv. Reviewing the adequacy and implementation of the Executive Team response;
v. Receiving and considering annual reports from the external and internal auditors;
vi. Approving the policy on the engagement of the external and internal auditors to supply non-audit services;
vii. Reviewing annually the performance and effectiveness of external and internal auditors, including any matters affecting their objectivity, and making

recommendations to Council concerning their reappointment, where appropriate; and

viii. Investigating any issues in the event of an auditor's resignation or removal and consider whether any action is required.

1.4. To review the annual Strategic and Financial Report and Annual Accounts with the external auditors and recommend their adoption by Council following satisfactory resolution of matters raised, including:

i. Reviewing the management letter incorporating management responses;
ii. Reviewing the audit aspects of LSHTM's Financial Statements, including the audit report, the statement of Council members' responsibilities, and the statement of internal control;
iii. Seeking assurance that the Financial Statements have been prepared in accordance with the OfS's Accounts Direction and that the accounting policies and judgments are appropriate; and
iv. Discussing any other matters the external auditors may wish to raise related to findings of the interim and final audits (in the absence of management, where necessary).

2. Financial Control and Data Assurance

2.1. To review the adequacy and effectiveness of the Executive Team's systems for:

i. Management and quality assurance of external data returns;
ii. Financial control;
iii. Obtaining value for money; and
iv. Responding to alleged financial irregularities.

2.2. To note the annual Value for Money report (following its review by Finance and Development Committee).

2.3. In relation to alleged financial irregularities:

i. To receive regular reports from the internal auditors and the Executive Team on reports received, investigations conducted, and action taken; and
ii. To obtain assurances that any significant losses have been appropriately disclosed and (where appropriate) reported to the OfS and other external bodies.

3. Risk Management

3.1. To review the effectiveness of mechanisms operated by the Executive Team for identifying, assessing and mitigating risks (including, where appropriate, mitigation by insurance).

3.2. To regularly consider the current status of core risks to the LSHTM Strategy, through the review of data and documents presented by the Executive Team and

derived from the Strategic Risk Register.

3.3. To review periodically Faculty, Unit, Professional Services and LSHTM subsidiary risk registers.

3.4. To periodically test scores and controls in selected areas of activity through consideration of specific reports.

4. Equity, Diversity and Inclusion (EDI)

4.1. To ensure that EDI considerations, including public sector equality responsibilities, are integrated into all aspects of Audit and Risk Committee business.

5. Other Matters

5.1. To receive internal annual reports on the following:

i. Research governance and scientific misconduct;
ii. Safety;
iii. Data quality; and
iv. Legal and statutory compliance.

5.2. To consider any relevant reports from the National Audit Office, OfS, funders and other organisations and monitor the implementation of agreed recommendations arising from these reports.

5.3. To approve/recommend to Council policies on fraud, anti-bribery and whistleblowing in line with the LSHTM Schedule of Delegation, and receive regular reports from the Executive Team on cases.

5.4. In the event of the merger or dissolution of LSHTM, to ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

6. Committee Evaluation

6.1. To review annually the Audit and Risk Committee's effectiveness and the suitability of its Terms of Reference.

COMPOSITION

Membership

All members of the Audit and Risk Committee and its Chair shall be appointed by Council from among its own members and must consist of members with no executive responsibility for the management of LSHTM and include members with skills and abilities required for Committee business. The Committee may, if it considers it necessary or desirable, co-opt external members with relevant expertise.

There shall be:

- No fewer than three (and no more than four) independent members of Council, one of whom will be the Chair of the Committee; and
- Up to four independent co-opted members who are external to LSHTM and have relevant expertise.

The quorum is:

- A minimum of two independent members of Council; and
- A majority of independent members (including co-opted members) in attendance.

The Chair of Council and Chair of the Finance and Development Committee are not members of the Audit and Risk Committee. Members should not have significant interests in LSHTM, and at least one member should have recent relevant experience in finance, accounting or auditing.

In Attendance

The Head of Internal Audit and a representative of the external auditors shall normally attend meetings where business relevant to them is to be discussed. Members of the Executive Team, the Deputy Chief Financial Officer, the Chief Information Officer, the Head of Strategic Delivery and the Unit Chief Operating Officers normally attend meetings of the Committee, and other LSHTM officers as requested by the Chair.

MODE OF OPERATION

Audit and Risk Committee meets at least four times per year.

The Committee has the right, whenever it is satisfied that it is appropriate, to go into confidential session and exclude any or all members, attendees and observers other than a member of LSHTM's Governance and Risk Team to act in a secretarial capacity, if required.

The Committee holds a closed meeting with the representatives of internal and external audit on at least one occasion per year. The external and/or internal auditors may request a meeting if they consider it necessary.

The Committee reports to Council through submission of the minutes of each of its meetings with a cover sheet highlighting the key decisions and discussions, and through an oral report by the Committee Chair. Specific proposals requiring Council consideration and approval are identified in the Terms of Reference.

The Committee will prepare an annual report covering LSHTM's financial year and any significant issues up to the date of preparing the report. The report will be addressed to the Council and the Director and be presented at the Council meeting at which the Financial Statements are considered, summarising the activity for the year and providing

an opinion on the adequacy and effectiveness of LSHTM's control arrangements as required by the OfS terms and conditions of funding for higher education institutions. This opinion will be informed by:

- The work carried out by internal audit during the year;
- The external audit;
- Assurances and reports from the Executive Team;
- Any reports from the OfS, National Audit Office (NAO) and/or other regulators and funding bodies;
- Work commissioned by the Committee itself.

The Audit and Risk Committee will ensure that the resources made available for external and internal audit are sufficient to meet LSHTM's needs (or make a recommendation to Council where significant additional funding is required).

The Committee may obtain outside legal or other independent professional advice and secure the attendance of non-Council members with relevant experience and expertise. It may not incur expenditure in excess of £25,000 excluding VAT without the prior approval of Council.

Where appropriate, the Committee may form task and finish groups to explore specific areas of interest/risk/strategic relevance.

The Audit and Risk Committee Terms of Reference were approved by Council on 09 July 2026.