

AUDIT & RISK COMMITTEE

TERMS OF REFERENCE

The **Committee's role** is to advise the Corporation on matters relating to its audit and risk arrangements and systems of Internal Control. Its minimum terms of reference are determined by the Post 16 Audit Code of Practice.

The Committee is an advisory Committee of the Corporation. Its **responsibilities** are:

1. To advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes for the effective and efficient use of resources, solvency of the College and the safeguarding of its assets.
2. To advise the Corporation on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the organisation(s) to be used for assurance on internal controls.
3. To advise the Corporation on the scope and objectives of assignments to provide assurance on internal controls and the financial statements auditor.
4. To ensure effective co-ordination between arrangements to provide assurance on internal controls and the financial statements auditor.
5. To consider and advise the Corporation on the audit strategy and annual plans for assurance on internal controls.
6. To advise the Corporation on assurance of internal controls assignment reports and on control issues included in the management letters of the financial statements auditor, including regularity audit, and management's responses to these.
7. To monitor, within an agreed timescale, the implementation of agreed recommendations relating to assurance of internal controls assignment reports, and the financial statements auditor's management letter.
8. To consider and advise the Corporation on relevant reports by the National Audit Office and funding bodies, and where appropriate management's response to these.
9. To establish, in conjunction with College management, relevant annual performance measures and indicators, and to monitor the effectiveness of the financial statements auditors, and arrangements to secure assurance on internal controls through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service and assurance on internal controls is appropriate.
10. To produce an annual report for the Corporation and accounting officer, to include the committee's advice on the effectiveness of the College's risk management, control and governance processes, and any significant matters arising from the work of the financial statements auditor and assurance on internal controls assignments.

11. To oversee the college's policies on fraud and irregularity and whistleblowing, and ensure the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity and ensure all allegations of fraud and irregularity are properly followed up.
12. To be informed of any significant breaches of legislation or major incidents and to review the actions taken by the College in response to those occurrences and to report onwards to the Corporation.
13. To be informed of all additional services undertaken by the financial statements auditors.

MEMBERSHIP

- The Committee shall comprise a minimum of four External or Parent Governors, at least one of whom will have relevant financial or audit expertise.
- Membership of the Committee will exclude the Chair of the Corporation, staff and student Governors and the Principal.
- The quorum will be 3 and at least two of those present must be either external Governors or co-opted members.
- The Committee may co-opt up to three people whose expertise may be of assistance to the Committee. Co-option will be for twelve months at a time, ending on 31 October.
- The Chair shall be elected by Governors of the Committee at the first meeting of each academic year. Staff, students & co-optees may not be elected as Chair.
- In the absence of the Chair from any meeting, a Chair shall be chosen by those present to conduct that meeting.
- A member who ceases to be a member of the Corporation for whatever reason will automatically cease to be a member of this committee.
- Agendas for the meetings shall be distributed 7 days ahead of a meeting.
- The Committee will normally meet once a term, but may meet more often if necessary to meet the Committee's responsibilities. Any variation to the meeting pattern is subject to discussion and approval of the Corporation.