

Audit & Risk Committee Terms of Reference

Membership and Committee Operation

1. The Committee shall comprise a minimum of three members, the majority of whom must be governors, but must not include the Chair of the Corporation, the Principal or Board members with significant financial interest in the college and should not include staff governors. It may include persons co-opted by the Corporation who are not governors. The committee may invite the Corporation's advisers or other parties to attend meetings as appropriate. Such persons shall be entitled to speak at the meeting but shall not have a vote.
2. The Audit Committee must ensure that it maintains its independence when considering the appointment of members. The membership of the committee will not exceed five, and the maximum number of co-opted members will be:
 - one, when the membership is three
 - one, when the membership is four
 - two, when the membership is five
3. Collectively, members of the audit committee, whether full governors or external co-opted members, must have a range of skills and recent experience relevant to risk, governance, finance, audit, assurance and control
4. The Committee will have the authority to investigate any activity within its terms of reference
5. The Committee will have the right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit
6. The Committee must not be required to adopt an executive role
7. The Corporation shall review the membership of the committee and select a chair of the Committee annually. The Chair need not be a member of the Corporation.
8. In the absence of the Chair of the Committee, the members present shall elect one of their body to chair the meeting.
9. If requested by the Chair of the Committee, relevant College managers will attend meetings of the committee.
10. The quorum for meetings of the Committee shall be 40%, equal to a minimum of three attendees, two of whom must be full members. Any member of the Corporation may be invited to attend meetings in line with eligibility criteria in point 1 above and can be included in quoracy and voting for that meeting.
11. The Clerk to the Corporation shall act as Clerk to the Committee.
12. The Committee will meet at least three times per year. The funding auditors, internal auditors and external auditors may request a meeting with the Committee if they consider that one is necessary and the Committee will endeavour to comply with such a request.

Terms of Reference Set by the Corporation

1. To assess and provide the Corporation with an opinion on the adequacy and effectiveness of the College's assurance arrangements, framework of governance, risk management and control, processes for the effective and efficient use of resource, solvency of the College and the safeguarding of its assets
2. To advise the Corporation on the appointment, reappointment, dismissal and remuneration of the external auditor, reporting accountant and other assurance providers, including internal auditors, and establish that all such assurance providers adhere to relevant professional standards
3. To advise the Corporation on the provision of any additional services by the external auditor, reporting accountant and other assurance providers, and to explain how independence and objectivity have been safeguarded, taking into consideration relevant UK professional and regulatory requirements
4. To advise the Corporation on matters of internal control and other issues included in the management letters and reports of the financial statements and regularity auditor, and of any reports submitted by other providers of audit and assurance services the College, and management's responses to these.
5. To monitor, within agreed timescales, the implementation of recommendations arising from any reports of audit and assurance providers
6. To produce an annual report for the Corporation, summarising the Committee's activities relating to the financial year under review including:
 - 6.1. A summary of the work undertaken by the committee during the year
 - 6.2. Any significant issues arising up to the date of preparation of the report
 - 6.3. Any significant matters of internal control including in the reports of audit and assurance providers
 - 6.4. The Committee's view of its own effectiveness and how it has fulfilled its terms of reference.
 - 6.5. The Audit Committee's opinion on the adequacy and effectiveness of the College's assurance arrangements, its framework of governance, risk management and control processes.
 - 6.6. The annual report must be submitted to the Corporation before the Statement of Corporate Governance and Internal Control in the accounts is signed.
 - 6.7. A copy of the Audit Committee's annual report must be submitted to the relevant funding body with the annual accounts
7. To oversee the College's policies and processes on fraud, irregularity, impropriety and whistleblowing, and ensure
 - 7.1. The proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity;
 - 7.2. That investigation outcomes are reported to the Audit Committee;
 - 7.3. That the external auditors and internal auditors have been informed, and that appropriate follow up action has been planned/ actioned,
 - 7.4. That all significant cases of fraud or suspected fraud or irregularity are reported to the ESFA
 - 7.5. That risks around fraud have been identified and controls put in place to mitigate them

8. To ensure the Board and its committees and senior management have in place adequate processes and support for undertaking and managing risk
9. To review the covenant position and provide assurances to the Board over risks to covenant breach
10. To monitor the development and review of College policies to ensure they remain up-to-date and relevant
11. To review the terms and conditions on an annual basis and publish on the college website