

## Risk and Audit Committee Terms of Reference

### **1. Membership**

1.1 The Committee shall comprise between 4 and 7 members of the Corporation. The Committee may invite the Corporation's advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meeting).

1.2 The Principal and other senior post holders may not sit on the Committee but other members of staff may sit on the Committee provided they do not have significant executive, management, financial or budgetary responsibilities.

1.3 The Principal, Deputy Principal, Vice Principal and the Finance Manager will attend all meetings to advise the Committee. The Committee reserves the right to consider appropriate matters without the Principal, Deputy Principal or the Finance Manager being present.

1.4 In order to maximise the Committee's independence and objectivity, the following people shall not be eligible to sit on the Committee:

- those with executive responsibilities at senior level;
- members of the college finance committee or equivalent;
- the Chair of the Corporation; and
- Governors who have significant interests in the college.

1.5 Membership of the Committee will be determined on an annual basis by the Corporation at its last meeting of the college year in the Summer Term.

1.6 The Chair of the Committee will be appointed annually by the Committee at its first meeting of the college year in the Autumn Term.

1.7 At least one member should have financial or audit experience relevant to the work of the Committee.

1.8 The quorum for meetings of the Committee shall be 3.

1.9 The Clerk to the Corporation shall act as Clerk to the Committee.

1.10 The Committee will normally meet twice within each financial year – the timing of this will be consistent with the Corporation Schedule of Business.

1.11 The external auditors may request a meeting of the Committee by notifying the Clerk to the Corporation if they consider that one is necessary and the Committee will endeavour to comply with such requests.

1.11 The Committee may request a meeting with the external auditors by notifying the Clerk to the Corporation if they consider that one is necessary and the auditors will endeavour to comply with such requests.

## **2. Terms of Reference**

2.1 To advise the corporation on the appointment, reappointment, dismissal and remuneration of the external auditor, reporting accountant and other assurance providers (if applicable) and establish that all such assurance providers adhere to relevant professional standards. To advise the corporation on the appointment, reappointment, dismissal and remuneration of the External Auditors, reporting accountant and all other assurance providers, the audit fee, the provision of any non-audit services by the External Auditors and to establish that all such assurance providers adhere to relevant professional standards.

2.2 To discuss if necessary with the External Auditors, before any audit begins, the nature and scope of the audit.

2.3 To discuss with the External Auditors problems and reservations arising from their audit, 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).

2.4 To review management systems and in particular to receive relevant reports or guidance on best practice in these areas.

2.5 To advise the governing body on the adequacy and effectiveness of the college's systems of internal control and its arrangements for risk management, health and safety matters, control and governance processes, and securing economy, efficiency and effectiveness (value for money).

2.6 To oversee the college corporation's policies on fraud, irregularity and whistleblowing, and ensure:

- The proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity

2.7 To satisfy itself that the systems used to generate funding data submitted to the relevant funding bodies are adequate and effective.

2.8 To consider and advise the governing body on relevant reports by the National Audit Office (NAO), the Education Funding Agency (EFA) and other funding bodies, and where appropriate management's response to these.

2.9 The Committee shall have the right to investigate any activity within its terms of reference and the right to access all the information and explanations it considers necessary, from whatever source, to fulfil its remit

## **3. Delegated Responsibilities**

3.1 To produce an annual report for the governing body and accounting officer which should include the committee's opinion 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 to submit the annual report to the corporation before the statement of corporate governance and internal control in the annual accounts is signed

3.2 To approve the appointment, reappointment, dismissal and remuneration of the Financial Statements Auditor (Financial Regulation 4.4.4).

**Note**

The responsibilities of the committee shall not extend to an executive role and shall not require the members of the Committee to offer the Corporation professional advice.