

Audit Committee

Terms of Reference, Membership and Delegated Authority

Terms of Reference

- (i) To advise the Governing Body on the adequacy and effectiveness of the Corporation's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).
- (ii) Advise the Governing Body on the scope and objectives of the work of the Internal Audit Service (IAS), and the Financial Statements Auditor.
- (iii) To advise the Governing Body on the appointment, reappointment, dismissal and remuneration of the Internal Audit Service and Financial Statements Auditor.
- (iv) To ensure effective co-ordination between the IAS and the Financial Statement Auditor.
- (v) To consider and advise the Governing Body on the audit strategy and annual internal audit plans for the IAS
- (vi) To advise the Governing Body on internal audit assignment reports and annual reports and on control issues included in the management letters of the financial statements auditor (including their work on regularity), and management's responses to these.
- (vii) To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports and the financial statements auditor's management letter.
- (viii) To consider and advise the Governing Body on relevant reports by the National Audit Office (NAO), the Skills Funding Agency (SFA), other funding bodies and where appropriate, management's response to these.

- (ix) To establish, in conjunction with college management, relevant annual Performance Review measures and indicators, and to monitor the effectiveness of the IAS and financial statements auditor through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service is appropriate.
- (x) To produce an annual report for the Governing Body and Accounting Officer, which should 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 IAS and the financial statements auditor.
- (xi) To ensure that all allegations of fraud and irregularity are properly followed up.
- (xii) To be informed of all additional services undertaken by the IAS and the financial statements auditors.
- (xiii) To appoint co-opted members, if required, to meet the need for specific additional experience.
- (xiv) To recommend the Annual Financial Statements to the Governing Body for approval.

Delegated Authority

To appoint co-opted members (maximum 2) as required.

Current Membership

5 Governors plus 2 co-opted members as required.

Quorum

A quorum of the committee shall be 3.

Clerk

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