

Audit, Risk and Assurance Committee

Terms of Reference

1. Membership

- 1.1 The Committee shall be appointed by the Corporation and shall consist of at least five members or such other number as the Corporation may from time to time determine, which may include non-Corporation members. At least half the members must be members of the Corporation.
- 1.2 The Chair and Vice-Chair (who must be members of the Corporation) shall be appointed for a two year period (or for a period consistent with their term of office as a governor) by the Corporation on the recommendation of the Search Committee.
- 1.3 The internal auditor and the external auditor shall be entitled to attend and speak at all meetings of the Committee but not to vote.
- 1.4 The Chief Finance Officer and the Head of Finance shall normally attend meetings, and the Committee shall have the power to invite such other persons to attend meetings as may be desirable and necessary.
- 1.5 In order to maximise the Committee's independence and objectivity, the following people shall not be eligible to sit on the Committee:
 - the Principal and other staff with executive, management, financial or budgetary responsibilities at a senior level
 - members of the Finance, Infrastructure and People Committee
 - the Chair of the Corporation
 - governors who have significant interests in the College
- 1.6 Other Corporation members may attend meetings, in an observer capacity, with the prior approval of the Chair of the Committee.

2. Quorum

Meetings of the Committee shall be quorate if 40% or more of the membership is present, subject to the members of the Corporation being in the majority.

3. Clerk

- 3.1 The Head of Governance shall be Clerk to the Committee.

- 3.2 The Head of Governance shall be responsible for calling meetings, for issuing agendas and agreeing the inclusion of items to the agenda following consultation with the Chair of the Committee, the Principal and Chief Finance Officer.
- 3.3 If the Head of Governance withdraws from a meeting or part of a meeting, the Committee shall appoint a person from among the members to act as Clerk during this absence.

4. Meetings

- 4.1 The Committee shall meet at least three times a year on a cycle consistent with the audit activities and requirements of the College.
- 4.2 The internal auditor or external auditor may request a meeting of the Committee if they consider that one is necessary and the Committee will endeavour to comply with such requests.
- 4.3 The Committee has rights of access to obtain all the information it considers necessary from whatever source, including members of the staff and governors, and to consult the internal audit service (IAS) and external auditor directly.

5. Responsibilities

- 5.1 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).
- 5.2 To advise the governing body on the appointment, reappointment, dismissal and remuneration of the external auditor and the IAS.
- 5.3 Advise the governing body on the scope and objectives of the work of the IAS and the external auditor.
- 5.4 To ensure effective co-ordination between the IAS and the external auditor including whether the work of the external auditor should be relied upon for internal audit purposes.
- 5.5 To consider and advise the governing body on the audit strategy and annual internal audit plans for the IAS.
- 5.6 To advise the governing body on internal audit assignment reports and annual reports and on control issues included in the management letters of the external auditor, and management's responses to these.

- 5.7 To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports, the external auditor's management letter and spot-check reports.
- 5.8 To consider and advise the governing body on relevant reports by the National Audit Office (NAO), the Education and Skills Funding Agency (ESFA), and other funding bodies and where appropriate, management's response to these.
- 5.9 To establish, in conjunction with College management, relevant annual performance measures and indicators, and to monitor the effectiveness of the IAS and external 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.
- 5.10 To produce an annual report for the governing body and accounting officer, for submission to the relevant funding body with the annual accounts, summarising the Committee's activities, which should include the Committee's advice on the effectiveness of the College's audit arrangements; risk management, control and governance processes; any significant matters arising from the work of the IAS and the external auditor; processes for securing economy, efficiency and effectiveness.
- 5.11 To oversee the College's policies on fraud, irregularity and whistleblowing ensuring that all allegations of fraud and irregularity are independently investigated, properly followed up and that outcomes are reported to the Committee, the external auditor and funding body, where appropriate.
- 5.12 To monitor data breaches, GDPR infringements, health and safety compliance and contravention of other requirements as necessary.
- 5.13 To be informed of all additional services undertaken by the IAS and the external auditors.
- 5.14 To recommend to the governing body for approval the annual financial statements for the College and any other relevant accounts as appropriate.
- 5.15 To receive an annual report on policy management processes in place across the College
- 5.16 To receive an annual report on cyber security to include progress against proposals, risk management and longer term investment.
- 5.17 To recommend to Board the approval of the Environmental Sustainability Policy and appoint the Lead Governor for Environmental Sustainability.

5.18 To monitor progress against objectives included in the Strategic Plan termly assigned to the Committee.

6. Reporting Responsibilities

6.1 The Head of Governance shall circulate the minutes of each meeting, after approval by the Chair, to the Committee members, the Chairs of the other standing committees and the Chair and Vice-Chair of the Corporation.

6.2 Such minutes shall be included as part of the agenda papers for the following Corporation meeting.

7. Review

7.1 The membership and terms of reference of the Committee shall be reviewed by the Committee every four years.

7.2 Amendments to membership and terms of reference shall be made by the Corporation on the recommendation of the Committee.