



Terms of Reference of the Audit Committee

1. Responsibilities of the Committee

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

1.2. To advise the governing body on the appointment, reappointment, and dismissal of the Financial Statements and Regularity Auditor (FSRA) and the Internal Audit Service (IAS) and to approve their remuneration and terms of engagement.

1.3. To review and monitor the FSRA's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.

1.4. To develop and implement policy on the engagement of the FSRA to supply services other than financial statements, audit and regularity audit, taking into account relevant ethical guidance.

1.5. To report to the governing body any matters in respect of which the committee considers that action or improvement is needed and make recommendations as to the steps to be taken.

1.6. To consider and advise the governing body on the audit strategy and annual internal audit plans.

1.7. To advise the governing body on internal audit assignment reports and annual reports and on control issues included in the management letters of the FSRA and the funding auditor, and management's response to these.

1.8. To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports, the funding auditor's management letter and spot check reports and the FSRA's management letter.

1.9. 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.

1.10. To establish, in conjunction with College management, relevant annual performance measures and indicators, and to monitor the effectiveness of the IAS and

FSRA through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service is appropriate.

1.11. To produce an annual report for the governing body and Principal, which outlines the activities of the committee throughout the past year and includes the committee's opinion on the adequacy and effectiveness of the college's risk management, control and governance processes, and any significant matters arising from the work of the IAS, the FSRA and funding auditors for securing economy, efficiency and effectiveness.

1.12. To oversee the college's policies on fraud and irregularity and whistleblowing.

1.13. To ensure the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity. The outcome of all investigations and any follow-up action are to be reported to the audit committee, the FSRA and ISA.

2. Membership

2.1 The membership of the Audit Committee shall be six members (who may or may not be members of the Corporation).

3. Quorum

3.1 The quorum for the meetings shall be 3 members, 2 of whom must be non-staff members.

4. Frequency of meetings

4.1 The Audit committee shall meet at least 3 times per year.

Approved by the Corporation on 30 September 2008

Reviewed by the Corporation on 8 December 2009

Amended by the Corporation on 25 January 2011

Reviewed by the Corporation on 13 December 2012

Amended by the Corporation on 17 December 2013

Reviewed by the Corporation on 7 October 2014

Reviewed by the Corporation on 6 October 2015

Reviewed by the Corporation on 11 October 2016

Amended by the Corporation on 10 October 2017