

Audit Committee

1. Purpose

The Audit Committee, reporting to the Governing Body, examines risk management control and governance under delegation from the governing body. It helps the Governing Body discharge its responsibility for adequate and effective risk management, control and governance (including ensuring the probity of the financial statements) and for the economy, efficiency and effectiveness of the College's activities.

2. Responsibilities

2.1 The audit committee is responsible for

- 2.1.1 Reviewing the scope, appointment, effectiveness and fees of the external auditors
- 2.1.2 Reviewing and assessing the effectiveness of the internal finance function
- 2.1.3 Reviewing and assessing the internal audit function and activities while ensuring that these are proportionate
- 2.1.4 Reserving the right to review directly any area of the College's activities.
- 2.1.5 Requesting review of any other related items arising from Governing Body meetings, requiring deeper analysis (note the need to consider how internal reviews are commissioned so that principles around internal audit are met in a way which is proportionate).
- 2.1.6 Examining the annual accounts and external management audit letter and making a recommendation to the Governing Body
- 2.1.7 Producing an annual report for Governing Body according to the template appended to these terms of reference
- 2.1.8 Reviewing its own effectiveness and terms of reference annually and recommending any proposed changes to Governing Body, including keeping under review whether those matters at 3.2 below should be handled as part of Governing Body meetings or delegated to the Audit Committee.

2.2 The audit committee will ensure that the following audit related tasks are handled as part of Governing Body meetings:

- 2.2.1 Overseeing the process for setting the budget for the College.
- 2.2.2 Agreeing the budget.

- 2.2.3 Signing off the annual accounts following a recommendation from the Audit Committee (see 3.1.6 above).
- 2.2.4 Ensuring that suitable arrangements are in place to promote economy, efficiency and effectiveness (value for money).
- 2.2.5 Monitoring and reviewing the effectiveness of the College's risk management, control and governance arrangements.
- 2.2.6 Reviewing the internal controls process and posture.
- 2.2.7 Overseeing the College policies and actions in relation to fraud and integrity and being notified of any actions taken under that policy.

3. Membership, Frequency of Meetings and Quorum

- 3.1 The membership shall be 2 external members of Governing Body, nominated by Governing Body. A secretary/clerk to be provided by the College
- 3.2 The term of office for members will be 3 years renewable for one additional three-year term.
- 3.3 A meeting will be deemed quorate if at least two members are present including the Chair.
- 3.4 Meetings will take place at least two times a year.