

Audit & Risk Management Committee

Terms of Reference

2023/24



Purpose

To review the effectiveness of the College's internal and external financial, non-financial and risk controls, and ensure their alignment with its strategic objectives, providing timely advice to the Corporation on the extent of risk assurance arising from those controls, and other areas within its remit.

Responsibilities

1. To oversee the College's internal and external audit services and its internal risk management processes;
2. To advise the Corporation on the appointment, reappointment, dismissal and remuneration of the internal and external audit providers;
3. To determine and advise the Corporation on the scope and objective of the work of the internal and external audit services;
4. To ensure effective co-ordination between the internal and external audit services;
5. To monitor the College's compliance with the requirements of any funding agency including the ESFA and with the Office for Students, the Post-16 Audit Code of Practice and with the ESFA College Handbook;
6. To provide an opinion on the adequacy and effectiveness of the Corporation's assurance arrangements, assurance over subcontracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets;
7. To regularly review the format and function of the College's risk register and risk management framework e.g. policy, heat map, control measures and risk appetite;
8. To ensure there are effective anti-fraud, corruption, theft, bribery and whistleblowing policies and procedures in place, and arrangements for special investigations;
9. To oversee and report annually to the Corporation, the risk assurance provided by the College's risk system and its alignment with the College's strategy, in particular:
 - the results of internal and external audit work, including individual audits, progress, remedial actions, annual reports and management letters;
 - the adequacy of management responses to issues raised by internal and external audit, and the implementation of audit recommendations;
 - the adequacy of the College's systems of quality assurance, financial and operational controls, risk management and safeguarding of assets;
 - all relevant reports by the National Audit Office, the ESFA and other funding bodies, and where appropriate, the Executive's response to these;
10. The Committee will also annually review its own effectiveness and report the results of that review to the Corporation.

Delegated Authorities

1. To advise the Corporation on the appointment of the Internal Auditors;
2. To advise the Corporation on the appointment of the External Auditors;
3. To determine and advise the Corporation on the programme of Internal Audit works for the year ahead;

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4. To determine and advise the Corporation on the programme of External Audit works for the year ahead;
5. To scrutinise the robustness of the Corporation's control framework and to assess its application in practice.

Policies/Reports to scrutinise and recommend to the Corporation:

1. Risk Management Policy including Risk Register
2. Fraud and corruption, theft, bribery procedures (Financial Regulations sub-sections 2.9 to 2.9.2, 3.4.4 and Appendix D)
3. Whistle Blowing policy
4. Appointment of Internal Auditors
5. Appointment of External Auditors and annually advise the Board on the effectiveness of the External Auditors
6. Annual report and Financial Statements of the College
7. Annual report of the Audit and Risk Management Committee
8. Complaints policy

Membership

The Committee shall comprise at least 3 and up to 7 voting members, at least one of whom shall have relevant financial/audit experience. Provided the Instruments and Articles of the College continue to require it, the majority of voting members shall be Governors.

The Committee may invite the College's advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall be entitled to speak at the meeting, but not to vote).

The CEO (as accounting officer) and CFO are invited to attend the meetings to provide information and participate in discussions. Members of the Senior Executive Team (excluding the Principals) may attend the meetings. Other staff members wishing to attend meetings of the Committee should contact the Committee Chair to secure an invitation.

In compliance with the Post-16 Audit Code of Practice and to safeguard the Committee's independence and objectivity, the following people shall not be eligible to serve on the Committee:

- the Chair of the Corporation
- the Accounting Officer (if they are also a Governor)
- Governors who have significant commercial interests in the College

The quorum for meetings shall be three.

Chair

The Corporation will appoint a Governor as the Committee Chair through its standard processes for a term of one year, renewable, at its meeting in July for the following academic year.

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Vice-Chair

The Corporation will appoint a Governor as the Committee Vice-Chair through its standard processes for a term of one year, renewable, at its meeting in July for the following academic year.

Clerk

The Governance Professional shall act as Clerk to the Committee

Frequency of Meetings

The Committee will meet at least termly. The internal or external auditor may request a meeting of the Committee if they consider it to be necessary, and the Committee will endeavour to comply with such requests.

Term of Office

Appointments of members of the Committee will cease at the end of their term of office as a Governor, unless members opt to terminate their membership by issuing notice of resignation to the Governance Professional.

Powers

This Committee is advisory to the Corporation, apart from the specific powers delegated above and any additional powers as delegated by the Corporation, from time to time.