

AUDIT COMMITTEE

Membership

Governor Members

Mr R Barnett-Chair
Mr. D Clegg-Vice Chair
Mr J J M Matthews
Mr D Seymour

Co-opted Member

Mr. P Reynaert

In attendance

The Principal
Vice Principal (Business and Finance)
MIS Manager
Representatives from Internal and External Auditors as necessary
Senior Managers as required

Quorum

Two Governors

Membership

- 1.1 The Committee shall comprise a minimum of 4 members (one of whom may not be a member of the Corporation).
- 1.2 The internal auditor shall be entitled to attend and speak at all meetings of the Committee (but not to vote) as shall the financial statements auditor and if appropriate the funding auditor where business relevant to them is being discussed. Senior management should also be invited to attend meetings of the Committee, particularly where their area of responsibility is under discussion, and shall be entitled to attend and speak at such meetings but not to vote.
- 1.3 The Committee may invite the Corporation's advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meeting).
- 1.4 The Principal and other senior post holders may not be members of the Committee but other members of staff may sit on the Committee provided they do not have significant executive, management, financial or budgetary responsibilities.
- 1.5 In order to maximize the Committee's independence and objectivity, the following people shall not be eligible to sit on the Committee.

- 1.5.1 Those with executive responsibilities at senior level.
- 1.5.2 Members of the Governors' Management Committee.**
- 1.5.3 The Chair of the Corporation.
- 1.5.4 Governors who have significant interests in the College.
- 1.6 A person shall be ineligible for appointment to the Committee if he or she has served more than 6 years on the Committee. The Clerk will arrange appointments to ensure that no two members are replaced at the same time.
- 1.7 The Chair of the Committee will be selected by the Corporation.
- 1.8 The Clerk to the Corporation shall act as Clerk to the Committee. The Clerk to the Corporation should not be Clerk of the Audit Committee if he/she has significant financial responsibilities at senior level within the College in which case the Assistant Clerk to the Corporation will act as Clerk to the Committee.
- 1.9 The Committee will meet at least three times per year. The internal auditor, funding auditor or financial statements auditor may request a meeting of the Committee if they consider that one is necessary and the Committee will endeavor to comply with such requests. In any event, the Committee must consider a minimum number of items of business each year for it to be able to function effectively, and those items of business are currently set out in the Table attached to these Terms and Conditions.
- 1.10 The Committee shall be entitled, whenever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules as to quoracy set out above) to exclude any, or all, participants and observers, except the Clerk to the Committee.
- 1.11 The Committee shall be granted rights of access to obtain all the information it considers necessary from members of the staff and governors of the Corporation, and to consult the internal audit service (IAS), financial statements auditor and funding auditor directly.

2 Terms of Reference

- 2.1 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);
- 2.2 To advise the governing body on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the IAS;
- 2.3 Advise the governing body on the scope and objectives of the work of the IAS, the financial statements auditor and the funding auditor;

- 2.4 To ensure effective co-ordination between the IAS, the funding auditor and the financial statements auditor including whether the work of the funding auditor should be relied upon for internal audit purposes;
- 2.5 To consider and advise the governing body on the audit strategy and annual internal audit plans for the IAS;
- 2.6 To advise the governing body on internal audit assignment reports and annual reports and on control issues included in the management letters of the financial statements auditor and the funding auditor, and management's responses to these;
- 2.7 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 financial statements auditor's management letter;
- 2.8 To consider and advise the governing body on relevant reports by the NAO, the SFA, other funding bodies and where appropriate, management's response to these;
- 2.9 To establish, in conjunction with college management, relevant annual performance 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;
- 2.10 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, the funding auditors and the financial statements auditor;
- 2.11 To ensure that all allegations of fraud and irregularity are properly followed up.
- 2.12 To be informed of all additional services undertaken by the IAS, the financial statements auditors and the funding auditors.
- 2.13 To recommend the annual financial statements to the governing body for approval.

Terms of Reference Approved by Corporation 6th December 2000
Amendment to Terms of Reference Approved by the Audit Committee 2nd October 2001
Amendment to Terms of Reference Approved by the Corporation 24th October 2001
Amendment to Terms of Reference Approved by the Audit Committee 29th September 2003
Amendment to Terms of Reference Approved by the Corporation 29th October 2003

Amendment to Terms of Reference Approved by the Audit Committee 25th November 2005
Amendment to Terms of Reference Approved by the Corporation 8th December 2005
Amendment to Terms of Reference Approved by the Audit Committee 22nd November 2006
Amendment to Terms of Reference Approved by the Corporation 6th December 2006
Amendment to Terms of Reference Approved by the Audit Committee 20th November 2007
Amendment to Terms of Reference Approved by the Corporation 6th December 2007
Terms of Reference Approved by the Audit Committee 25th November 2008
Terms of Reference Approved by the Corporation 10th December 2008
Amendment to Terms of Reference Approved by the Audit Committee 24th November 2009
Amendment to Terms of Reference Approved by the Corporation 10th December 2009
Membership change Approved by Corporation 14th July 2010
Membership change Approved by Corporation 14th October 2010
Terms of Reference Approved by the Audit Committee 23rd November 2010
Terms of Reference Approved by the Corporation 9th December 2010
Membership change Approved by Corporation 14th July 2011
Terms of Reference Approved by the Audit Committee 22nd November 2011
Terms of Reference Approved by the Corporation 8th December 2011
Terms of Reference Approved by the Audit Committee 15th November 2012
Terms of Reference Approved by the Corporation 6th December 2012
Membership change Approved by the Corporation 24th October 2013
Amendment to Terms of Reference Approved by the Audit Committee 22nd November 2013
Amendment to Terms of Reference Approved by the Corporation 5th December 2013