AUDIT COMMITTEE

TERMS OF REFERENCE

1. To keep under review the effectiveness of internal control systems, risk management and corporate governance arrangements, and in particular to review the external auditors’ management letter, the internal auditors’ annual report, and management responses.

2. To consider the Annual Financial Statements in the presence of the external auditors, including the auditors’ formal opinion, the statement of members’ responsibilities and the statement of internal control, in accordance with the funding council’s accounts direction.

3. To monitor the implementation of agreed recommendations arising from internal and external audit reports.

4. To advise the Council on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of the external auditors.

5. To discuss with the external auditors, before the audit begins, the nature and scope of the audit.

6. To discuss with the external auditors problems and reservations arising from the interim and final audits, including a review of the management letter, incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of management where necessary).

7. To consider and advise the governing body on the appointment and terms of engagement of the internal audit service (and the head of internal audit if applicable), the audit fee, the provision of any non-audit services by the internal auditors, and any questions of resignation or dismissal of the internal auditors.

8. To review the internal auditors’ audit needs assessment, strategy and programme; to consider major findings of internal audit investigations and management’s response; and promote co-ordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are sufficient to meet the College’s needs.

9. To satisfy itself that suitable arrangements are in place to promote economy, efficiency and effectiveness.

10. To ensure that all significant losses have been properly investigated and that the internal and external auditors, and where appropriate the funding council’s accounting officer, have been informed.

11. To oversee the College’s policy on fraud and irregularity, including being notified of any action taken under that policy.
12. To receive any relevant reports from the National Audit Office, the HEFCE and other organisations.

13. To monitor annually the performance and effectiveness of external and internal auditors, including any matters affecting their objectivity.

14. To report to the Council at least annually on its activity for the year and to give its opinion on the adequacy and effectiveness of the College’s risk management control and governance arrangements; its arrangements for promoting economy, efficiency and effectiveness; and the arrangements for the management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), HEFC and other funding bodies.

15. In the event of the merger or dissolution of the College, to ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

16. The Committee shall have the authority to call for any information from College officers, external and internal auditors and others which it considers necessary to discharge its responsibilities effectively.

CONSTITUTION

17. The Committee and its Chairman shall be appointed by the Council from among its own members and must consist of members with no executive responsibility for the management of the College. No member of the Audit Committee may also serve on the College’s Finance Committee or its equivalent.

18. Members

a. A Chairman to be appointed by the Council from among the external members of the Council.

b. Three members, at least one of whom shall have recent and relevant expertise and experience in finance, accounting or auditing, to be appointed by the Council from among the external members of the Council.

c. The Committee shall have the power to co-opt up to two additional external members, if it sees fit.

19. In Attendance

The President
The Provost
The College Secretary & Registrar
The Chief Financial Officer
Representatives of the internal and external auditors

20. **Secretary**

The Head of Central Secretariat and Assistant Clerk to the Court and Council

**MEETINGS AND REPORTING**

21. The Committee shall meet not less than three times a year. The external auditors and internal auditors may request that additional meetings be held if they consider it necessary.

22. The minutes of meetings of the Committee will be circulated to all members of the Council.

23. The Committee will prepare an annual report covering the College's financial year and any significant issues up to the date of preparing the Report. The Report will be addressed to the President and to the Council and will summarise the activity for the year. It will give the Committee’s opinion on the adequacy and effectiveness of the College's arrangements for:


   b. Arrangements for promoting economy, efficiency and effectiveness (value for money).

   c. The arrangements for the management and quality assurance of data submitted to the Higher Education Statistics Agency (HESA), HEFC and other funding bodies

24. This Report will be presented to the Council before the members’ responsibility statement in the Annual Financial Statements is signed.

25. The Committee will also provide an annual statement on the College’s Accounts to the Court at its annual meeting.

**QUORUM**

26. The quorum shall be the Chairman and one other member.