



SEEVIC COLLEGE CORPORATION

TERMS OF REFERENCE FOR THE RISK & AUDIT COMMITTEE

1. Introduction. The authority for these TORs is contained in the
 - a. Instrument and Articles;
 - b. SFA Joint Audit Code of Practice (JACOP) V1 & JACOP (V2)
 - c. Corporation Standing Orders;

2. The responsibilities of the Committee:
 - a. 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 securing economy, efficiency and effectiveness (value for money);
 - b. to advise the governing body on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the internal audit service (IAS);
 - a. to advise the governing body on the scope and objectives of the work of the IAS, the financial statements auditor and the funding auditor (where appointed);
 - b. to ensure effective coordination between the IAS, the funding auditor (where appointed) and the financial statements auditor, including whether the work of the funding auditor should be relied upon for internal audit purposes;
 - c. to consider and advise the governing body on the audit strategy and annual internal audit plans for the IAS;
 - d. 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 (including their work on regularity) and the funding auditor (where appointed), and management's responses to these;
 - e. 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 (where appropriate) and the financial statements auditor's management letter;
 - f. to consider and advise the governing body on relevant reports by the National Audit Office (NAO), the Skills Funding Agency (SGFA) or successor agencies and other funding bodies, and, where appropriate, management's response to these;
 - g. to establish, in conjunction with FE 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 to decide, based on this review, whether a competition for price and quality of the audit service is appropriate;

- h. 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 (where appointed) and the financial statements auditor;
 - i. to ensure that all allegations of fraud and irregularity are properly followed up;
 - j. to be informed of all additional services undertaken by the IAS, the financial statements auditors and the funding auditors (where appointed); and
 - k. to recommend the annual financial statements to the governing body for approval.
2. Relationship with the Corporation. The Corporation expect that the Audit Committee will complete and/or advise on audit associated matters as detailed in Supplement A of the Audit Code of Practice. The role of the Audit Committee is to advise the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance.
3. Relationship with the Principal (Accounting Officer) It remains the Principal's responsibility to ensure the satisfactory operation of day-to-day control framework however the internal and external auditors, together with the Audit Committee, contribute to this by provision of advice and assurance.
4. Meetings
- a. Frequency. The Committee shall meet as required but normally not less than once a term unless the Chair in consultation with the Clerk agrees that there is insufficient business; the Clerk will record such action.
 - b. Special Meetings. The Clerk when instructed only by the Chair, or in his absence, by the Vice or acting Chair, shall call Special meetings of the Committee. At such meetings the Agenda shall normally be limited to consideration of a single or related items. Standing items shall not be included in the Agenda.
5. Chair, Membership and Quorum
- a. Chair and Vice Chair. The Chair and Vice-Chair (if required) of the Audit Committee shall be appointed by the Corporation. If the Chair, or Vice-Chair, is absent then the meeting shall nominate a Chair for that meeting.
 - b. Membership. The Committee shall comprise:
 - (i) 3 Corporation Members nominated by the Corporation and confirmed every year at the first meeting of the academic year.
 - (ii) up to 2 lay members recommended and approved by the Board.
- In attendance:
- (iii) representatives of the appointed Internal and External Auditors and nominated by the firms concerned;
 - (iv) the Deputy Principal Finance & Resources;
 - (v) the Clerk to the Corporation

The following shall be excluded from Membership:

- (vi) the Principal
- (vii) Corporation members with interests in the College;
- (viii) senior postholders;
- (ix) members of the Finance committee; and
- (x) the Chair of the Corporation

c. The Committee shall be quorate with 3 members providing that either the Chair or Vice-Chair (if req) is in attendance.

6. Agendas for Meetings. The Agenda shall be agreed between the Deputy Principal Finance & Resources, the Chair of the Committee and the Clerk.

R Kirkham
Chair
Date: 14 July 2015

(Revised Dec 2014)