

Audit and Risk Assurance Committee Terms of Reference – approved by the Governing Body, 6 November 2019

Membership	Duties	Other
<ul style="list-style-type: none"> At least five people, the majority of whom shall be Governors. The Committee may co-opt independent members. Collectively, members should have recent, relevant experience of risk management, finance, and audit and assurance. To maintain the Committee's independence, the Chair of Governing Body, the Chief Executive & Principal and members of FEGP Committee may not serve as a voting members of the Committee. The quorum for meetings is three Governors. The Governing Body shall appoint a Chair and Vice Chair from among the membership. The Committee Chair will normally be a Governor to enable feedback to the Governing Body. 	<p>In accordance with the ESFA's Funding Memorandum and post-16 Audit Code of Practice, the Governing Body resolves to establish an Audit and Risk Assurance Committee. The purpose of the Committee is to advise the Corporation on adequacy and effectiveness of the Corporation's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency of the institution and the safeguarding of its assets. The Committee must not adopt an executive role.</p>	<p>Date of these Terms of Reference: Sept 2019 Next review of these Terms of Reference: June 2020</p>
Specific Responsibilities		
<p>The Audit and Risk Assurance Committee is authorised by the Governing Body to investigate any activity within its Terms of Reference and has the right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit. It also has the right to obtain external professional advice.</p>		
Commissioning Assurance:		Managing the performance of the College's assurance providers:
	<ul style="list-style-type: none"> To determine an annual work plan to fulfil the Committee's duties and responsibilities, including: <ul style="list-style-type: none"> advising the Governing Board on the adequacy and effectiveness of the College's assurance framework monitoring its policies and procedures to ensure compliance with relevant legislation and other regularity matters (<i>such policies include but are not limited the financial regulations, treasury management, risk management, whistleblowing and policies to prevent fraud, corruption, bribery and money laundering</i>) To determine where external assurance may be required beyond the internal assurance available, and consider the most appropriate source from which to obtain that assurance To agree the scope and objectives of all assurance providers, their audit strategies and plans, and to ensure effective co-ordination between them. 	<p>To advise the Governing Body on the appointment, re-appointment, dismissal and remuneration of the external auditor, reporting accountant, internal audit and any other assurance providers it deems necessary to deliver the College's assurance needs and in doing so:</p> <ul style="list-style-type: none"> To ensure all assurance providers adhere to relevant professional standards. To establish, in conjunction with management, relevant annual performance indicators, and use them to monitor the effectiveness of its various assurance providers. To review the independence and objectivity of its assurance providers, and develop and implement a non-audit services policy. To ensure coordination between the College's various assurance providers. To ensure the assurance providers have access to appropriate officers and information, and independent access to the Governing Body Chair, Committee and Committee Chair, as required.
Proceedings of meetings:	Reporting Assurance:	Receiving Assurance:
<ul style="list-style-type: none"> The Committee shall meet at least termly, by virtual means if necessary. It shall be entitled to go into confidential session Questions shall be determined by a majority of members present. Members may not vote by proxy. 	<ul style="list-style-type: none"> To advise the Governing Body on implications for the College's assurance framework of all the reports it receives and management's responses. To assess and provide the Governing Body with an annual report summarising its work during the year; any significant matters arising up to the date of preparation of the report; any significant matters of internal control; the committee's view on its own effectiveness and its opinion on the adequacy and effectiveness of the College's assurance arrangements, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency and the safeguarding of assets. 	<ul style="list-style-type: none"> To review and consider all reports from assurance providers, monitor the implementation of management's responses to recommendations to agreed timescales and agree their implications for the assurance framework and the Committee's work plan, i.e. whether additional assurances need to be commissioned. To consider the implications for the assurance framework of relevant external reports, e.g. from the funding agencies, AoC, National Audit Office, Public Accounts Committee etc. To oversee the corporation's policies on and processes around fraud, irregularity, impropriety and whistleblowing and ensure; <ul style="list-style-type: none"> the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity; that investigation outcomes are reported to the Committee; that the external auditor and internal auditor are informed of investigation outcomes and other matters of fraud, irregularity and impropriety and that appropriate follow-up action has been planned/actioned; that all significant cases of fraud or suspected fraud, theft, bribery, corruption or irregularity major weakness or breakdown in the accounting or other control framework are reported to ESFA as soon as possible; risks around fraud have been identified and controls put in place to mitigate them.
Support:	<ul style="list-style-type: none"> Following submission of the Committee's annual report, to advise the Governing Body on signing its Statement of Corporate Governance and Internal Control. In conjunction with the FE&GP Committee, to recommend the corporation members' annual report and financial statements for Governing Body approval, providing assurance on the measures taken to ensure the College has fulfilled its statutory and regulatory responsibilities (in accordance with the Annual Accounts Direction issued by funding agencies). To inform the Governing Body of any additional services provided by the external auditor, reporting accountant, internal audit and explain how independence and objectivity are safeguarded. 	
<ul style="list-style-type: none"> The Executive Director FR and Director of Strategy, Planning and Systems Improvement will normally attend meetings. Other employees may be invited to attend as appropriate. The Committee may meet with any of its assurance providers without any College employees present (other than the Clerk) The Clerk shall act as Clerk to the Committee 		