

# South Staffordshire College



## **SOUTH STAFFORDSHIRE COLLEGE AUDIT COMMITTEE**

### **Constitution**

1. The membership of the Committee shall be five eligible governors and one co-opted non-governor with an appropriate mix of skills and experience to allow the Committee to discharge its duties effectively. Collectively, members of the Committee should have recent, relevant experience in risk management, finance and audit Assurance. Ineligible governors are the Chair of the Board and the Chief Executive Principal. No person having any interest, or perceived interest, in the College (or its advisers or suppliers) or who is the holder of a senior post (as defined by the Articles of Government) may serve on the Committee.
2. At the first meeting of the Committee in each academic year, the Committee shall appoint a Chair from amongst its governor members.
3. The Committee shall be quorate when at least three members are in attendance.
4. The Committee shall meet at least three times in each academic year. Additional meetings may be called as necessary in agreement with the Chair of the Committee.
5. Decisions to be made at meetings of the Committee shall be determined by a majority of the votes of members present and voting. Where there is an equal division of votes, the Chair shall have a second or casting vote.
6. The Committee shall not adopt an executive role.

### **Terms of Reference**

1. The purpose of the Committee is to assess and provide the Board of Governors with an opinion on the adequacy and effectiveness of the College's audit arrangements, framework of governance, risk management and control and processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of its assets
2. To advise the Board on the appointment, reappointment, dismissal, remuneration and terms of engagement of the financial statements and regularity auditors and other assurance providers, including internal auditors, and establish that all such assurance providers adhere to relevant professional standards.
3. To advise the Board on the provision of any additional services by the financial statements, regularity and other audit and assurance providers and to explain how independence and objectivity have been safeguarded.
4. To review and monitor the financial statements and regularity auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements.

5. To advise the Board on matters of internal control and other issues included in the management letters and reports of the financial statements and regularity auditor and of any reports submitted by other providers of audit and assurance services to the College and management's responses to these.
6. To monitor, within agreed timescales, the implementation of recommendations arising from the management letters and reports of the financial statements and regularity auditor and of any reports submitted by other providers of audit and assurance services to the College.
7. To produce an annual report for the Board to include –
  - (a) a summary of the Committee's activities relating to the financial year under review, including any significant issues arising up to the date of preparation of the report
  - (b) any significant matters of internal control included in the reports of audit and assurance providers
  - (c) the Committee's view of its own effectiveness and how it has fulfilled its terms of reference
  - (d) the Committee's opinion on the adequacy and effectiveness of the College's audit arrangements, its framework of governance, risk management and control and processes for the effective and efficient use of resources, solvency and the safeguarding of assets.

The annual report for the Board should be submitted before the Statement of Corporate Governance and Internal Control within the Annual Accounts is signed.

8. To oversee the College's policies on fraud, irregularity, impropriety, cybersecurity and whistleblowing and ensure the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity and cybersecurity breaches; that investigation outcomes are reported to the Committee, that the external auditors (and internal auditors where appropriate) have been informed and that appropriate follow- up action has been planned/actioned and 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 the ESFA and other relevant funding authorities as soon as possible.
9. To ensure that the risks around fraud have been identified and controls put in place to mitigate them.
10. Where appropriate, to advise the Board on the audit strategy and annual internal audit plans and to monitor and review the effectiveness of the College's internal audit function.
11. To have the right to access all the information and explanations it considers necessary, from whatever source, to fulfil its remit.