AUDIT & COMPLIANCE COMMITTEE

Membership 4 *(See Notes)  Quorum 2

Chair A lay member of the Council, appointed by the Council

Other members Three further lay members of the Council
A maximum of two co-opted members, as required

As required The Principal (or nominee)
The Registrar and Secretary
The Director of Finance
The Assistant Director of Finance
The Internal Auditor
Members of the External Audit Team (where appropriate)

Secretary A member of the College Secretary’s Office

Meetings per year 3

Purpose

- On behalf of the Council, to satisfy itself that the College is being managed within recognised financial and legal requirements.

Terms of Reference

The duties of the Committee shall be:

1. 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.

2. To discuss with the External Auditors, before the audit begins, the nature and scope of the audit.

3. 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 matters the External Auditors may wish to discuss (in the absence of management where necessary).

4. To consider and advise the Council on the appointment and terms of engagement of the Internal Auditor, the provision of any non-audit services by
the Internal Auditor and any questions of resignation or dismissal of the Internal Auditor.

5. To review the Internal Auditor's audit needs assessment and the audit plan, to consider major findings of internal audit investigations and management’s response and its recommendations and to promote coordination between the Internal and External auditors. The committee will consider the terms of engagement of the internal audit service and whether the resources made available for internal audit are sufficient to meet the institution’s needs and make recommendations to the Council as appropriate.

6. To monitor the timely implementation of all agreed audit-based recommendations arising from the reports of the Internal/External auditors and to report to the Council any undue delays.

7. To ensure that all significant losses have been properly investigated and that the Internal and External Auditors, and where appropriate the HEFCE Accounting Officer, have been informed.

8. To oversee the College policies on bribery, fraud and irregularity, including being notified of any action taken under those policies.

9. To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness, as well as compliance with regulations relating to financial probity and ethical standards.

10. To keep under review the effectiveness of the management of risk and to receive reports on Risk Management from the Planning and Resources Committee and report to Council as appropriate.

11. To receive any relevant reports from the National Audit Office, the HEFCE and other organisations.

12. To monitor annually the performance and effectiveness of External and Internal Auditors, and to make recommendations to the Council concerning their re-appointment, where appropriate.

13. To consider the annual financial statements in the presence of the External Auditors, including the Auditors' formal opinion, the statement of members' responsibilities and any corporate governance statement.

14. To prepare an annual report, summarising the Committee's work during the year for the Principal (as the Accountable Officer) and the Council.

15. To satisfy itself that the College’s quality control over its data returns is adequate.

16. To receive audit certificates on capital contracts.
17. In event of a merger or dissolution of the institution to ensure that adequate due diligence is carried out and that necessary actions are completed.

**Devolved powers**

- All College employees are required to cooperate with any request from the Committee and to implement agreed audit-based recommendations within agreed timeframes.

- The investigation of any activity within its terms of reference and to require any employee to cooperate in such investigations.

- The engagement of outside professional advice to assist with its investigations up to a value of £5,000 without prior approval.

- Agreement of the External Audit fee.

**Reports to**

- The Council, with annual report to the HEFCE

**Committees reporting to this Committee**

- Research Ethics Committee

**Receives reports from**

- Planning and Resources Committee in relation to matters relating to Risk Management

**Effectiveness review**

Three-yearly, to review business covered and consider its effectiveness in monitoring the College’s compliance with the principles of good governance and its financial and legal obligations. To make such changes as may be necessary.

*Notes*

(1) At least one member should have accounting, financial or banking experience. An additional person may be co-opted from outside the Council membership where there is no lay member available with this expertise, or where a person with an interest in the College has experience or expertise that is directly relevant to the committee. Such appointee may not be a member of staff or a student of the College. Further members may be co-opted as required, up to a maximum of 2 co-opted members in total, where a particular need for expertise is identified. This may include legal or further financial expertise.

(2) No member may also be a member of the Finance Committee.