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**Newbury College Corporation
Audit Committee
Terms of Reference**

1. **Membership**

The membership of the Committee will be five members from any category, with collective experience of risk management, finance, audit and/or assurance experience. The Audit Committee must ensure that it maintains its independence when considering the appointment of members. The following people may attend but shall not, in the interests of the independent nature of the committee, be eligible to serve as members of the Committee:

- Members of the Finance Committee
- Chair of Corporation
- CEO/Principal and senior leaders
- Staff members
- Student members

Within the overall membership of the Committee, one member, who is not a member of the Corporation, may be co-opted by the Corporation as a member of the Audit Committee, if they have relevant skills.

2. **Quorum**

The Committee will have a quorum when three members are present.

3. **Purpose**

The role of the Audit Committee is to advise the Corporation on the adequacy and effectiveness of the College's assurance framework. In addition, the Audit Committee must advise and support the Corporation in explaining in its annual report and accounts the measures it (the Audit Committee) has taken to ensure it has fulfilled its statutory and regulatory responsibilities. The annual Accounts Direction sets out the funding bodies' specific requirements for that year that must be included in the Statement of Corporate Governance and Internal Control.

To provide a means of communication with the Corporation's auditors that is not controlled by College Management.

To ensure that any audit requirements placed on the Corporation are met.

4. **Appointment of Chair and Vice Chair**

The Committee shall elect a Chair and Vice Chair from among its members. The Chair and Vice Chair must be external members. The terms of office shall be for two years. External Co-opted Members shall not be eligible for election as Chair or Vice Chair.

5. **In Attendance**

The Principal and Director of Finance & Resources.

Internal auditor and Financial statements and regularity auditor where required.

Designated Managers can be invited to make presentations depending on the agenda item(s) for consideration.

The Committee has the right to invite any other person to attend for a part of or for the whole of a meeting.

All persons In Attendance shall have no voting rights.

6. Frequency of meetings

The Committee shall meet as and when necessary for the proper discharge of its responsibilities but shall meet at least once per term.

The Clerk to the Corporation shall act as Clerk to the Committee.

The Committee may, when it is satisfied that it is appropriate to do so, meet with representatives of the Internal Audit Service and/or the Financial statements and regularity auditor, without the Principal or Officers in Attendance being present.

All responsibilities of the Committee are to be regarded as advisory, except in the case of specific items, with clearly defined limits, which may be delegated by the Corporation from time to time. Consequently, all decisions of the Committee shall be referred to the Corporation for confirmation, except those specifically delegated, which shall be reported to the Corporation.

7. Terms of Reference

As a minimum, the duties of the Audit Committee must be:

1. To advise the Corporation on the adequacy and effectiveness of the College's systems and its arrangements for risk management, control and governance processes for ensuring the solvency of the College and the safeguarding of its assets and for securing economy, efficiency and effectiveness through value for money reviews, assurance mapping, risk register, independent reviews, and through other committee reviews of relevant data.
2. To maintain and keep under regular review the Risk Policy and Risk Register showing the strategic risks to which the College is exposed and the arrangements to mitigate or manage those risks and to satisfy itself as to the adequacy of those arrangements.
3. To advise the Corporation on the appointment, reappointment, dismissal and remuneration of the Financial statements and regularity auditor and Internal audit service provider and establish that all assurance providers adhere to relevant professional standards.
4. To inform the Corporation of any additional services provided by the Financial statements and regularity auditor, the Internal audit service provider and any other audit or assurance provider and explain how independence and objectivity were safeguarded.
5. To ensure effective co-ordination between the Financial statements and regularity auditor, the Internal audit service provider and any other assurance providers including the funding auditor.

6. To consider and advise the Corporation annually on the proposed audit strategy and the work plan for the Committee including its proposals for obtaining assurance in relation to specific risks.
7. To advise the Corporation on the outcomes of the reviews undertaken as part of the Committee's work plan, the resulting impact and actions required and the implications for the Board; and on control issues identified in the management letters of the Financial statements' auditor and the Funding auditor, with the Senior Management Team's responses to these.
8. To monitor, within agreed timescales, the implementation of agreed recommendations resulting from assurance reviews.
9. To consider and advise the Corporation on the outcomes of any reviews undertaken by third parties, including Skills Funding Agency accountability reviews, and, where appropriate, the Senior Management Team's response to these.
10. To establish, in conjunction with the Senior Management Team, relevant annual performance measures and indicators, to monitor the effectiveness of the Internal audit service provider and the Financial statements and regularity auditor against those measures and indicators and to make a recommendation to the Corporation, based on that monitoring, whether a competition for price and quality of either audit service is appropriate.
11. To produce an annual report for the Corporation and the Principal (as accounting officer) which must include the Committee's opinion on the adequacy and effectiveness of the College's risk management, control and governance processes and of the Audit Committee itself, and draw attention to any significant issues arising from assurance reviews.
12. To maintain and periodically review the College's policy on fraud and irregularity and make recommendations to the Corporation as and when required for changes to this policy; to ensure the proper, proportionate and independent investigation of all instances or allegations of fraud or irregularity; to ensure that investigation outcomes are reported to the Committee,

that the external and internal auditors are informed, that appropriate follow-up action is taken and that all significant cases are reported to the chief executive of the appropriate funding body.
13. To monitor College management to ensure it has in place effective mechanisms to ensure compliance with the Board's policies relating to Health and Safety.
14. To maintain and periodically review the College's policy on Whistleblowing.
15. To investigate any other matter that appears to the Committee to fall within these terms of reference, or have been referred to it by the Corporation, seeking information as required from auditors and other assurance providers, Governors and College staff, contractors and third parties.

8. Powers of the Committee

In order to exercise its role, the Audit Committee shall:

1. Have the power to investigate any activity within its terms of reference.
2. The right of access to obtain all the information and explanations it considers necessary, from whatever source (including subcontractors and other third parties) to fulfil its remit.
3. Obtain external professional advice when it deems it appropriate.
4. The Committee shall liaise with other Committees where necessary.

9. Reporting

- a. The Clerk to the Committee shall circulate the minutes of each meeting, after approval by the Chair, to the Committee members.
2. An update on Committee activities will be provided by the Chair at the following Corporation meeting.

10. Review

1. The membership and terms of reference of the Committee shall be reviewed by the Committee every two years.
2. Amendments to membership and terms of reference shall be made by the Corporation on the recommendation of the Committee.