

**Terms of Reference  
Audit Committee**

<b>Mission</b>	<b>“To inspire achievement by delivering outstanding education and skills”</b>
<b>Vision</b>	<p><b>We will:</b></p> <ul style="list-style-type: none"> <li>• Achieve excellence through fully releasing the potential of our students and colleagues</li> <li>• Deliver inspirational teaching and learning and student experience in Further and Higher Education</li> <li>• Make Reaseheath the preferred place to work and study with superb facilities, resources and support for colleagues and students</li> <li>• Lead and develop partnerships with industry and our communities that make a positive difference</li> <li>• Be the College, training provider and employer of choice</li> </ul>
<b>Title</b>	Audit Committee
<b>Chair</b>	Colin Baxter
<b>Membership</b>	<p>Karol Bailey Dr Ian Graham Emily Thrane Clerk (in attendance)</p> <p>There must be a minimum membership of three, a majority of whom must be governors, but must not include the chair of the corporation or the principal. The Committee shall have the power to consult external advisers to fulfil its responsibilities. The Committee must maintain its independence in appointing members. It has a responsibility to include individuals with an appropriate mix of skills and experience to allow it to discharge its duties effectively. Collectively, members of the committee should have recent, relevant experience in risk management, finance and audit and assurance. The committee must not adopt an executive role.</p>
<b>Quorum</b>	3 Members, including the Chair or Vice Chair of the Committee, but by exception in the absence of both at least one independent member (ie other than a student or staff member) must be present.
<b>Purpose</b>	To assess and provide the corporation with an opinion in relation to the College and any subsidiary companies on the adequacy and effectiveness of the 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.

## Terms of Reference

The Committee has the right to investigate any activity within its terms of reference and to access all the information and explanations it considers necessary, from whatever source, to fulfil its remit:

1. Assess and provide the corporation with an opinion in relation to the College and any subsidiary companies on the adequacy and effectiveness of the 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. Advise the corporation on the appointment, reappointment, dismissal and remuneration of the external auditor, reporting accountant and other assurance providers (if applicable) and establish that all such assurance providers adhere to relevant professional standards.
3. Inform the corporation of any additional services provided by the external auditor, reporting accountant and other assurance providers (if applicable) and explain how independence and objectivity were safeguarded.
4. Monitor, within agreed timescales, the implementation of recommendations arising from any reports of audit and assurance providers.
5. Advise and assure the Governing Body on the scope and objectives of the work of the external auditor and regularity auditor and other assurance providers, including internal auditors where applicable;
6. Facilitate the effective co-ordination between the external auditor and regularity auditors, internal auditors, where applicable, and the work on the funding audit (where undertaken).
7. To monitor and review the effectiveness of the College's internal audit function, where applicable.
8. Oversee the college corporation's policies on fraud, irregularity and whistleblowing, and ensure:
  - the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity;
  - that investigation outcomes are reported to the audit committee;
  - that the external auditor (and internal auditor if applicable) has been informed, and that appropriate follow-up action has been planned/actioned;
  - that all significant cases of fraud or suspected fraud or irregularity are reported to the appropriate funding body.
9. Produce an annual report for the corporation, summarising the committee's activities relating to the financial year under review, including:
  - a summary of the work undertaken by the committee during the year
  - any significant issues arising up to the date of preparation of the report

- any significant matters of internal control included in the reports of audit and assurance providers
- the committee's view of its own effectiveness and how it has fulfilled its terms of reference
- the committee's opinion on the adequacy and effectiveness of the college corporation's audit arrangements, its framework of governance, risk management and control, and its processes for securing economy, efficiency and effectiveness

10. Submit the annual report to the corporation before the statement of corporate governance and internal control in the annual accounts is signed.

**Frequency**      Once per term.

**Reporting**      At each Board meeting following the committee meeting.

**Secretariat**      Clerk

*These Terms of Reference meet the requirements of the Joint Audit Code of Practice, Part 2, published June 2016.*