

CITY COLLEGE NORWICH

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

Purpose: Oversee the various College audit functions and to monitor the risk management framework.

Chair: The Chair of the Committee will be appointed by the Corporation.

Membership: The Committee shall comprise of at least 5 members, at least one of whom has relevant financial/audit experience. The Committee may invite the Corporation's advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meeting).

In order to maximise the Committee's independence and objectivity, the following people shall not be eligible to sit on the Committee:

- Principal and other members of staff;
- those with executive responsibilities at senior level;
- the Chair of the Corporation;
- governors who have significant interests in the College; and
- Members of the Business Committee.

The Principal will normally attend meetings except for any part of a meeting set aside for Members of the Committee only.

The quorum for meetings shall be 3.

The Director of Governance and Legal or the Administrator or a College employee agreed by the Committee shall act as Clerk to the Committee.

Frequency of meetings: The Committee will meet at least once each term. The internal audit service or financial statements auditor may request a meeting of the Committee if they consider that one is necessary and the Committee will comply with such requests.

Terms of Reference

Audit and Assurance

1. To provide an opinion to the Corporation on the adequacy and effectiveness of the College's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money); assurance; safeguarding of assets and solvency.
2. To make a recommendation to the Corporation on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the internal audit service (IAS);
3. To advise the Corporation on the scope and objectives of the work of the IAS, the financial statements auditor and the funding auditor (where appointed);
4. To ensure effective coordination between the IAS, the funding auditor and the financial statements auditor including whether the work of the funding auditor (where appointed) should be relied upon for internal audit purposes;
5. To consider and advise the Corporation on the audit strategy and annual internal audit plans for the IAS;
6. To advise the Corporation on internal audit assignment reports and annual reports and on control issues included in the management letters of the financial statements auditor (including their work on regularity audit) and the funding auditor (where appointed), and management's responses to these;

7. To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports, financial statements auditor's management letter and the funding auditor's management letter and spot-check reports (where appointed);
8. To consider and advise the Corporation on relevant reports by the National Audit Office (NAO), the current Funding Agency or their successors and other funding bodies, and where appropriate management's response to these;
9. To establish, in conjunction with College management, relevant annual performance measures and indicators, and to monitor the effectiveness of the IAS and financial statements auditor through these measures and indicators and decide, based on this review, whether a competition for price and quality of the audit service is appropriate;
10. To produce an annual report for the Corporation and Accounting Officer, which should include the Committee's opinion on the effectiveness of the College's risk management, control and governance processes, value for money, assurance, safeguarding of assets, solvency and any significant matters arising from the work of the IAS, the funding auditors (where appointed) and the financial statements auditor; along with a summary of the Committee's work, its effectiveness and how it has fulfilled its Terms of Reference and to raise any significant issues.
11. To review and monitor the expenses claims of the Senior Post Holder(s) and raise any concerns to the Corporation.
12. To be informed of all additional services undertaken by the IAS, the financial statements auditors and the funding auditors (where appointed), and to develop and implement policy on the engagement of the external auditor to supply services other than financial statements, audit and regularity audit, taking into account relevant ethical guidance;
13. To review and monitor the external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant UK professional and regulatory requirements. To have the opportunity to meet with the external auditors privately, at each Committee meeting.
14. To recommend the annual financial statements to the governing body for approval.
15. To annually review the effectiveness of the Committee.

Fraud, irregularly, impropriety and whistleblowing

16. To consider and approve the Corporation's policies on and processes around fraud, irregularity, impropriety and whistleblowing.
17. To receive a report on fraud and irregularity risks and/or allegations, and to advise the Corporation on any such risks and/or allegations. To follow the fraud guidance included within the latest Audit Code of Practice.

Risk Management

18. To receive and review an up to date Risk Register at each relevant Audit and Risk Committee meeting.

Reporting to: Corporation Board

Approved by the Board Tuesday 22 March 2005.

Amended: 18 March 2008, 19 October 2010, 13 December 2011, 11 December 2012, 9 July 2013, 7 October 2014, 22 March 2016, 11 June 2019, 15 October 2019, 5 July 2022