

As Approved by Council 13 June 2007

**TERMS OF REFERENCE
FOR COMMITTEES OF COUNCIL
UNDER THE TERMS OF THE REVISED CHARTER AND STATUTES**

FINANCE AND GENERAL PURPOSES COMMITTEE

1. To recommend to Council the adoption of the Financial, the Estate and the Human Resource strategies for the College;
2. To recommend to Council the adoption of the consolidated Annual Accounts;
3. To recommend to Council the adoption of the annual budget for the College's activities;
4. To recommend to Council the appointment of inves

AUDIT COMMITTEE

Note: These Terms of Reference directly reflect the requirements set out in 'Accountability and Audit - HEFCE Code of Practice June 2004/27'

Constitution

1. The Council has established a Committee of the Council known as the Audit Committee.

Membership

2. The Committee and its Chair shall be appointed by the Council, from among its own members, and must consist of members with no executive responsibility for the management of the Institution. There shall be no fewer than three members; a quorum shall be at least two members. The Chair of the Council should not be a member of the Committee. Members should not have significant interests in the institution.
3. At least one member should have recent and relevant experience in finance, accounting or auditing. The Committee may, if it considers it necessary or desirable, co-opt members with particular expertise. No member of the Committee may also be a member of the Finance Committee (or equivalent), unless specifically authorised by the Higher Education Funding Council for England (HEFCE) under the terms of paragraph 73 of the Code.

Attendance at Meetings

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8. The Audit Committee will review the audit aspects of the draft Annual Financial Statements. These aspects will include the external Audit Opinion, the Statement of Members' Responsibilities, the Statement of Internal Control and any relevant issue raised in the External Auditors' Management Letter. The Committee should, where appropriate, confirm with the Internal and External Auditors that the effectiveness of the internal control system has been reviewed, and comment on this in its Annual Report to the Council.

Duties

9. The duties of the Committee shall be:
 - a) 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.
 - b) To discuss if necessary with the External Auditors, before the Audit begins, the nature and scope of the Audit.
 - c) 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 other matters the External Auditors may wish to discuss (in the absence of Management where necessary).
 - d) To consider and advise the Council on the appointment and terms of engagement of the Internal Audit service, the audit fee, the provision of any non-audit services by the Internal Auditors and any questions of resignation or dismissal of the Internal Auditors.
 - e) To review the Internal Auditors' Audit Risk Assessment and Strategy; to consider major findings of Internal Audit investigations and Management's response; and to promote co-ordination between the Internal and External Auditors. The Committee will ensure that the resources made available for Internal Audit are sufficient to meet the Institution's needs (or make a recommendation to the Council as appropriate).
 - f) To keep under review the effectiveness of the Risk Management, Control and Governance arrangements, and in particular to review the External Auditors' Management Letter, the Internal Auditors' Annual Report, and Management responses.
 - g) To monitor the implementation of agreed audit-based recommendations, from whatever source.
 - h) 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.
 - i) To oversee the Institution's policy on fraud and irregularity, including being notified of any action taken under that policy.
 - j) To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency and effectiveness.
 - k) To receive any relevant reports from the National Audit Office, HEFCE and other organisations.

