

MOULTON COLLEGE: AUDIT COMMITTEE

1 REPORTING TO: The members of the Corporation

2 MEMBERSHIP

- a) A minimum of 4 members of the Corporation (who must not include the Chair of Governors, Principal or staff governors) with significant financial or budgetary responsibilities.
- b) Up to 2 co-opted members with relevant experience (who must not include the College's bankers, insurers, auditors, accountants or solicitors).
- c) The Committee shall meet once per term.

3 In Attendance

- a) Principal
- b) Director of Finance and Corporate Services
- c) Clerk to the Corporation
- d) Financial Statements Auditors, Internal Auditors and Funding Auditors (where appointed) as required

4 QUORUM

- a) Two members, of at least one of whom must be a Governor.

5 TERMS OF REFERENCE

- a) To advise the Board of Governors on a regular basis of the effectiveness of the Institution's internal control system including its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money) and to produce an annual written report for their approval. The report should include the Committee's advice on the effectiveness of the College's risk management, control and governance processes and incorporate any significant matters arising from the work of the internal audit service, the funding auditors (where appointed) and the financial statements auditors.
- b) To monitor, within an agreed timescale, the implementation of approved recommendations relating to internal audit assignment reports, internal audit annual reports, the funding auditor's management letter and spot check reports (where appropriate) and the financial statements auditor's management letter.
- c) To ensure effective co-ordination between the internal audit service, the financial statements auditor and the funding auditor (where appointed), including whether the work of the funding auditor should be relied upon for internal audit purposes.
- d) To advise the Board of Governors on the appointment, reappointment, dismissal and remuneration of the internal audit service and the financial statements auditor.
- e) To consider and advise the Board of Governors on the audit needs assessment and strategic and short-term audit plans for the internal audit service.
- f) To consider and advise the Board of Governors 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) and the funding auditor (where appointed), and management's responses to these.

- g) To advise the Board of Governors on the scope and objectives of the work of the internal auditors, the financial statements auditor and the funding auditor (where appointed).
- h) To consider and advise the Board of Governors on relevant reports other than by the internal, financial statements and funding auditors and, where appropriate, management's response to these.
- i) To review and monitor the financial statements auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration the relevant UI professional and regulatory requirements.
- j) To establish, in conjunction with College management, relevant annual performance measures and indicators and to monitor the effectiveness of the internal and financial statements auditors through these measures and indicators and to decide, based on this review, whether a competition for price and quality of the audit service is appropriate.
- k) To ensure that all allegations of fraud and irregularity are properly followed up.
- l) To develop and implement policy on the engagement of the financial statements auditor to supply services other than financial statements audit and regularity audit, taking into account relevant ethical guidance. To report to the governing body identifying any matters in respect of which it considers that action or improvement is needed and make recommendations as to the steps to be taken.
- m) To be informed of all additional services undertaken by the internal auditors, the financial statements auditors and the funding auditors (where appointed).
- n) To carry out an annual assessment of the effectiveness of the Committee.