Meeting Title	Audit Committee
Date	15 March 2018
Members	M N. Ratnavel Chair Mr T. Byrne–Price Ms K. Driver Mr R. Foulston Mr N. Ware
In Attendance	Mr M. Cheetham RSM Ms. R. Devan Director of Finance Mr R. Greenaway Deputy CEO Mr C. Wright Deputy CEO Mrs H Meredith Head of Governance
Key Meeting Outcomes	

1.	**APOLOGIES**
1.1	Apologies were received from Mr Roberts**.**
1.2	**DECLARATION OF INTEREST** Mr Ware declared his usual interest as a retired partner in Baker Tilly and that he undertakes consultancy work for RSM (previously Baker Tilly). RSM have previously informed Carshalton College's Audit Committee that their Ethical Committee have reported that there is no conflict of interest as his association with RSM is totally separate from the audit side of the firm. Other members confirmed that they did not have any pecuniary or other interest in any item on the agenda.
2.	**MINUTES OF LAST MEETING AUDIT COMMITTEE MEETING OF 30 NOVEMBER 2017 AND MATTERS ARISING** *Appdx A*
2.1	<u>Accuracy</u>. The minutes were accepted as an accurate record subject to two amendments. Item 7.1 was amended to state that "no internal control issues of any *kind* were identified during the audit "and the spelling of depreciation was corrected at Item 3.2.3. With these amendments made in manuscript the minutes were signed by the Chair. It was **resolved** to note the minutes.
2.2	<u>Matters arising</u> Members reviewed the action log noting the updates below:

HoG to make further amendments to TOR and bring a further draft to the next meeting for approval.	HoG	End Feb 2018	Actioned- See Item 3
Board Assurance Framework to be ready for next meeting	PM-S	End Feb 2018	Actioned- See Item 7
Members agreed that it was important that an Internal Audit of Learner Numbers should be undertaken during the year.	FD		Scheduled to take place April/May 2018
Head of MIS should either write a report or attend the March 2018 Audit Committee to report on progress towards implementation of the GDPR.	Head of MIS	March 2018	Actioned- See Item 6
Updates on STC Post–Audit Management recommendations to be included in the next tracker report.	FD	End Feb 2018	Actioned- See Item 4
Changes needed to STC Financial Statements to include Notes 2-5. & more narrative to explain why the deficit is so much larger than forecast	RM	4 /12 / 2017	Actioned-
Members asked in future for an Executive Cover sheet with all	All	All	Ongoing

committee papers explaining what the committee is being asked to do. (Note/ approve etc.)	officers	meetings	
Value for money reporting – FD to take advice from IAS and VFM report to be presented once a year to the June meeting	FD	End of May 2018	
Next review of Risk Register to consider points raised at Minute 8.2	RG	Jan 2018	
The Audit of Subcontracted provision will be brought to the committee next year.	FD	March 2018	
The College to prepare a press release for when the outcome of the SFO case re sub-contracted provision is reported.	PM-S	Jan 2018	Case was concluded and other party has been convicted
Amendments need to Committee Annual Reports: CC and KC to state that Buzzacott were re-appointed as FSA and to update the reference to the Code of Practice in the ST Report.	HoG	Dec 2018	Actioned-
Review of the Internal Audit Service to take place at the June 2018 meeting.	HoG	June 2018	
FDs to obtain a price from Buzzacott for the 2017-18 Financial Statements and Regularity Audit and Subcontracting Audit for the Group	FDs	Dec 2018	Actioned-See below Item 2.3

Ms Driver joined the meeting at 6:45pm and the Financed Director at 6:50pm

2.3 Financial Statements Auditors' fee proposals for providing a Financial Audit And Regularity Audit Service for STCG for the period 01 August 2017 to 31 July 2018.

2.3.1 The Finance Director updated the committee on the Financial Statements Auditors' fee proposals for providing a Financial Audit And Regularity Audit Service for STCG for the period 01 August 2017 to 31 July 2018. Members discussed the proposals in detail comparing the quotation with the fees previously paid for the three separate Colleges and KSEP Ltd, before the merger. Buzzacott had also provided an estimate for one-off additional fees for work in relation to the audit of the first set of accounts for the merged group this year.

2.3.2 The Finance Director reported that STC underaccrued their Audit Fees for 2016-17 by approximately £12,000 which will therefore appear in the 2017-18 financial statements. Were it not for this, the proposed fees for the group for 2017-18 would result in a saving in composite fees between the audit for 2016-17 and 2017-18 of between £19k -25k plus VAT.

2.3.3 Members discussed the fee proposal in the context of the extent of work involved and the overall size of the organisation having regard to the fact that currently there are still 3 finance teams operating on 3 sites including different practices. Mr Cheetham also contributed to the discussion from knowledge of fees charged by other audit firms and advised the committee that there will soon be publicly available data showing all college audit fees. After consideration of the fee proposal against this context and bearing in mind Buzzacott's knowledge of the three institutions and fees generally in the sector, it was agreed that their fee proposal represents value for money for the group. The Chair thanked the Finance Director for her work in negotiating these fees.

2.3.4 It was **resolved** to agree Buzzacott's fee proposal for providing a Financial Audit And Regularity Audit Service for STCG for the period 01 August 2017 to 31 July 2018.

3. **TERMS OF REFERENCE** *Appdx B*
3.1 Members considered the committee's Terms of Reference which were an amalgam of the Terms of Reference from the Audit Committees of the three colleges and which had been revised further to reflect the changes suggested by the Committee at its last meeting. One further amendment was agreed to include 'cost' before effective in clause 1.2 of these.

3.2 It was **resolved** to recommend **the revised Terms of Reference (as attached to these minutes as Appendix 1) for approval by the Corporation.**
3.2.1

Planned Business for the Year *Appdx A Annex 2*
It was **resolved** to agree the revised Planned Business for the year as attached to these

	minutes.
4.	**PREVIOUS AUDIT RECOMMENDATIONS**
	INTERNAL AUDIT *Appdx C*
4.1	A Tracker Report covering previous Internal Audit Recommendations was received and reviewed by the Committee and was presented by the Deputy CEO.
4.2	Members asked for more detail about the action which had been taken in response to the recommendations and about any systems which have been put in place to prevent the issues arising again. The Deputy CEO agreed that for future the College will add more narrative on the action taken and systems put in place to respond to recommendations.
4.3	It was **resolved** to note the Report.
5.	**INTERNAL AUDIT REPORTS** *Appdx D 1-3*
	Mr Cheetham, RSM, presented three Internal Audit Reports as follows which were considered in detail by the Committee covering:
	- Implementation Plan / Operating Plan – Part 1 - IT Cyber / Data Security - Risk Management
	The Committee asked that in future, it could receive an Executive Cover Sheet for Internal Audit Reports explaining the issues and what action management has taken in response.
5.1	**Implementation Plan / Operating Plan – Part 1**
5.1.1	The Group's Operating Plan replaces the Merger Implementation Plan. Any outstanding actions from the Merger Implementation Plan were incorporated into the Operating Plan, which has been aligned to the Strategic Objectives set for the College in 2018/19.
5.1.2	The review focussed on the activities relating to the following objective: 'Harmonise functions, systems, policies and arrangements', of which there are a total of 61 activities. The review concentrated on a sample of 25 activities tested across the areas of Finance, Information Technology, Human Resources and College Delivery. Of those tested 20 (80%) activities were in line with the January 2018 General Operating Plan and those not in line with the plan(below) were not issues of major concern.

28	Finance	Controlled stationery - new invoices
31	Finance	Treasury Policy update
72	IT	Course Validation/Relevance exercise
96	HR	Appraisal process 2017/18 developed published
97	HR	Group Staff Handbook development

5.1.3	Members asked why it had taken so long to update the group stationery and the Finance Director confirmed that this was due to the delay by the DfE in approving the name change which was only received in mid December and the audit took place in January.
5.1.4	Members asked about the process for reviewing progress on recommendations marked as needing immediate action and the Deputy CEO confirmed that the Operating Plan is regularly reviewed by the GLT and there will be a further audit of this later this year.
5.1.5	The opinion from this audit was as follows: Taking account of the issues identified, the Board can take reasonable assurance that the controls in place to manage this area are suitably designed and consistently applied.

	However, we have identified issues that need to be addressed in order to ensure that the control framework is effective in managing the identified areas.
5.2	**IT Cyber / Data Security**
5.2.1	By way of background the Committee noted that although, the Group's network domains are linked they have not yet been merged. The Group's plan is to migrate the systems across to Kingston's. This review had been arranged before the merger and was limited to the Cyber Security control framework of Kingston College network domain.
5.2.2	The Committee noted that The National Cyber Security Centre has published the " *10 Steps to Cyber Security Framework: Information Risk Management Regime.* " A second scheme HMG Cyber Essentials has been developed by Government and industry to provide a clear statement of the basic controls all organisations should implement to mitigate the risk from common internet based threats, within the context of the *10 Steps to Cyber Security*. The Cyber Essentials scheme defines a set of controls which, when properly implemented, will provide organisations with *basic* protection from the most prevalent forms of low level threats coming from the Internet. However organisations facing more advanced, targeted attacks will need to implement additional cyber- security measures. The Government has issued a Cyber Essentials Assurance Framework setting out a 10 step guide to recommended action providing a mechanism for organisations to demonstrate that they have taken these essential precautions.
5.2.3	The level one Cyber Essentials certification is awarded on the basis of a verified self-assessment which is verified by an independent accredited Certification Body. The level two (Cyber Essentials Plus) certification requires an independent vulnerability assessment to validate the effectiveness of controls declared in the self-assessment questionnaire.
5.2.4	Kingston College's work is on track against the college's own self assessment but there is some way to go. The audit verified that 26 of the 34 requirements for the five Cyber Essentials control themes had evidence to support the College's self-assessment that controls are established. The validated self-assessment scores generate an overall status of "Working Towards Implementation" for the College's implementation of Cyber Essentials.
5.2.5	The report detailed eight 'Medium' priority issues requiring management actions. The Committee's discussion focussed on two of these: • The College was unable to provide evidence of authorisation for the creation of the account for one user from a sample of five accounts tested. The missing authorisation email increases the risk of unauthorised network user accounts. • A mobile working policy that requires mobile devices to be kept up to date with vendor updates and application patches is not in force. The Committee suggested including in the student handbook an obligation for students to keep their mobile devices up to date and the Deputy CEO agreed to review this with the IT team.
5.2.6	Members asked whether the implementation date for more of the work in the Action Plan could be brought forward but were advised in response that this work needs to be carried out when systems are switched off in college vacations.
5.2.7	It was **resolved** to note the Report.
5.3	**Risk Management**
5.3.1	The Group's new Board Assurance and Risk Management Policy was approved by the Extended Group Leadership Team (EGLT) in January 2018. In the first term of the 2017/18 Academic Year, a combined Risk Register was developed but the Corporation Committees did not have risk and assurance discussions at their meetings as the Board Assurance Framework was not in place due to absence of key members of staff and on-going merger activities taking priority.

5.3.2	Each risk on the Group's Risk Register is assigned to a strategic objective, outlined in the Strategic Plan 2017/18. The GLT's responsibility is to identify and evaluate the key risks faced by the College and challenge whether controls and reported assurances are sufficient and effective at mitigating the core risk outlined. The GLT is also responsible for reporting this information to the Corporation through the Audit Committee. Risks are grouped together and allocated to a relevant committee of the Board for discussion, debate and challenge over the level of assurance, before submitting their conclusions to the Audit Committee.
5.3.3	The Report identified three 'Medium' and four 'Low' priority issues in relation to the design and application of the control framework requiring management actions. Members discussed the Medium level risks noting that these applied to the position last term when the Board Assurance Framework was not yet in place for the Group.
5.3.4	The Audit Report identified a series of examples that sound control design and application of the control framework has since been put in place including : • The Group has in place a single Group Board Assurance and Risk Management Policy and Group Risk Register. • There is evidence of GLT discussion of new risks at each meeting. GLT meetings been changed so that debate, discussion and challenge over key issues feeds into a final discussion of the Risk Register and risk scoring. • All risks on the Risk Register are linked to the College's strategic objectives. • The College has begun a review into how assurances are received and presented which should address many of the areas of weakness identified in this review. • The minutes of the November 2017 Audit Committee provided good detail about the level of discussion and the nature of decisions made by the Committee with regards to the Risk Register, which translated into clear actions which were appropriately recorded. • All risks on the Group Risk Register have a clear date for review by GLT and each risk will be reviewed and updated more than once each academic year. • Corporation Committees have this term reviewed the risks allocated to them so as to provide assurance to the Audit Committee this term- although their meetings had taken place so soon before this meeting that it had not been possible to provide written assurance updates. The Head of Governance offered to provide a verbal update from the committees. It was **resolved** to recommend the three Internal Audit Reports to the Corporation.
6.	**IMPLEMENTATION OF GENERAL DATA PROTECTION REGULATIONS** *Appdx E*
6.1	The Deputy CEO presented an update report on progress towards GDPR implementation. The Committee noted the proposal for the role of Data Protection Officer to be performed by the two Deputy CEOs, with operational leads placed in key areas e.g. MIS, Student Services. Each Deputy CEO will deal with any breaches in the areas which are not line managed by them and the Committee considered this an acceptable approach, designed to ensure independence and remove any conflict of interest
6.2	RSM Tenon completed a review of the GDPR Implementation Plan in February 2018. A lot of work needs still to be completed to implement the Regulations by the implementation date at the end of May 2018. An Internal Audit of the work is due to be carried out during April.
6.3	Members pointed out that not every breach is reportable to the ICO and recommending reviewing the Policy to confirm this, for instance including reporting of non –reportable issues to the Chair of the Audit Committee. Members also suggested carrying out a review of the Action Plan to list these in order of priority so as to focus on completion of the highest priority actions first.
6.4	It was **resolved** to note the Report.

7. 7.1.1 7.1.2 7.1.3 7.1.4 7.1.5	**BOARD ASSURANCE AND RISK MANAGEMENT** *Appdx F* The Deputy CEO presented the updated Board Assurance framework and Board Assurance and Risk Management Policy and explained how the Board Assurance Framework operates. The Risk papers included the full Risk Register which is used to identify the key risks at Group level. The College applies controls or intervention actions to the risks identified; currently there are 20 risks. These are rag rated and the key to the Risk Register explained the Colouring according to the Risk Score. The Risk Movement tracker shows any movement in risks over time. Members asked why most of the movements indicate that risks are becoming more significant and whether there is an overarching reason for this. The Deputy CEO explained that the worsening financial position is one of key reasons for this caused by the failure to reach enrolment targets which are being finalised at this point in the year. The Finance Director also explained that Risk 5 should have been Red last term and therefore would not have seen a significant adverse movement to the current position. In the Assurance Dashboard the risks from the Risk Register are grouped together and an assessment is made of the net risk based on whether the controls put into place are effective to manage the risks. Those grouped risks are then allocated to a relevant committee of the Corporation for discussion, debate and challenge over the level of assurance, before reporting back their views to the Audit Committee. At the last meeting (Minute 8.2 November 2017 Audit Committee) the Committee had asked for a review of the wording of Risk 17 and this had not been changed. Members also pointed out that there was an error in the calculation of the risk score for Risk 7A. In relation to Risk 5 members suggested splitting this into two separate risks relating to income and expenditure.
7.2 7.2.1	**Review of risks allocated to the Quality Learning and Resources Committee.** The Head of Governance reported on the discussion at the recent QLS Committee meeting of the two groups of risk allocated to it: 1. Poor Ofsted or QAA Result The Committee asked for this to be reallocated as a medium risk (rather than low risk) following information reported to the Committee following information which arose from the IQAR process at Carshalton College and which would be reported to this Committee under Item 9 (Fraud Report). *(The Head of Governance mistakenly indicated at the meeting that this might have been suggested as moving to high risk)* 2. Declining Student numbers or planned student targets not achieved The committee had not received a report on student numbers and suggested that this risk should be reallocated to the FPR committee. Mr Cheetham felt that this risk was appropriately allocated and it was agreed that for future meetings the committee should be provided with reports on student numbers in order for them to review the appropriateness of the curriculum offer by consideration of student numbers across the provision.
7.2 7.2.1	**Review of risks allocated to the Health, Safety and Safeguarding Committee.** The Head of Governance reported on the discussion at the recent HSS Committee meeting of the risks relating to non compliance with statutory duties E H &S and Safeguarding. The Committee was satisfied that the assessment of the net risk (low risk) is correct and that sufficient controls and/or actions are being taken to manage the risks. The Committee had also discussed whether continued non-completion of DBS checks by three governors might need to be added to the Risk Register.
7.3 7.3.1 7.3.2	**Review of risks allocated to the Finance, Planning and Resources Committee.** The Head of Governance reported on the discussion at the recent FPR Committee meeting of the 4 groups of risk allocated to it. In relation to the risks relating to a declining financial position the Committee had concluded that the net risk should be moved to significant (red) as the January management accounts showed a declining financial position. The FPR Committee was satisfied that the risk level for each of the other risks allocated to it

	was correct and that sufficient controls and/or actions are being taken to manage the risks.
7.5 7.5.1	As a non-governor Mr Ware asked about the nature of and level of detail of reports and data provided to the other committees for them to scrutinise in order to make these assessments in relation to the risks allocated to them. The Head of Governance gave an indication of the level of detail and breadth of reports and data which they receive and that the section of the Board Assurance Framework allocated to their committees is also supplied to them for review.
7.5.2	Members asked what information the Audit Committee should rely on when assessing Risk 17 – in relation to Learner Numbers. The Deputy CEO confirmed that a Learner Numbers Audit report is presented to the committee annually – the next will be next term. Members agreed the following actions in relation to Learner Numbers: • to invite the Director of MIS to come to next meeting to give a presentation on what he does each month in terms of running DSAT assurance software each month • For Risk 17 to be split into different funding streams to detail the various processes for each and the work being done to check compliance with the learner number funding regulations.
7.5.3	It was **resolved** that the net assurance column on Risk 17 should be changed to a medium risk (amber) on the basis that this committee had not received assurance of compliance with the regulations.
7.5.4	Members also asked for a covering report relating to Risk for each meeting to confirm whether the Internal Audit Plan needs to be flexed during the year in response to risk movements during the year.
7.6	Members discussed reporting of risk to the Corporation and **resolved** that the Board should receive the full Risk Document every term particularly as there are currently so many significant risks. Mr Ware asked for confirmation that this is reviewed by the Corporation at every meeting. Although the full Risk Register was reviewed and agreed by the full Corporation last term it has not as a practice been reviewed by the Corporation at every meeting. Mr Ware expressed astonishment that the Risk Register was not provided to every meeting of the Corporation as a matter of course as a fundamental part of the college's risk management process. Members discussed whether the Audit Committee should meet more often, particularly to review the Risk Register more frequently but after discussion agreed to continue with three meetings a year but to raise the profile of Risk at the Corporation by presenting the full Risk Register as a separate item on each Corporation Meeting Agenda.
8.	**FRAUD AND FRAUD REGISTERS** *Appdx G*
8.1	The Committee received the Fraud Register which reported that no instances of fraud have been identified since the meeting of the Audit Committee in November 2017.
8.2	The Deputy CEO reported that in the last week an allegation had been made that a member of staff took an online exam for a student and this is being reported to the awarding body. The Head of Governance reported that the QLS Committee had received a report of systematic malpractice having been discovered at Carshalton College during a recent Internal Quality Assurance Review. The Deputy CEO was only aware of one incident and suggested that this should be checked with the Chair of the QLS Committee following the meeting. See Appendix 3- Addendum
8.3	It was **RESOLVED** to note the Fraud Register
Date of Next Meeting	The next meeting will take place on **THURSDAY 28 JUNE 2018@ 6:30PM at** South Thames College, Wandsworth

	The meeting closed at 8:30 pm. Signed: …………………………..............Date:………………………………

Action points		Responsible	Deadline	Signed off
From this meeting				
1	One word to be added to TOR	HoG	March 2018	Actioned
2	Internal Audit tracker - in future the College to add more narrative on the action taken and systems put in place to respond to the recommendations.	DCEO	June 2018	
3	The Committee asked in future to receive Executive Cover Sheets for Internal Audit Reports explaining what the issues are and what action management have taken in response	DCEO	June 2018	
4	Risk Register points; At the last meeting the Committee had asked for a review of the wording of Risk 17 and this had not been changed. Members also pointed out an error in the calculation of the risk score for Risk 7A. In relation to Risk 5 members suggested splitting this into two separate risks relating to income and expenditure.	DCEO	June 2018	
5	Invite the Director of MIS to come to next meeting to give a presentation on monthly DSAT assurance software reports run each month	HoG	June 2018	
6	Risk 17 to be split into different funding streams to detail the various processes for each and the work done to check compliance with the learner number funding regulations. Net assurance column on Risk 17 to be changed to a medium risk (amber) on the basis that this committee had not received assurance of compliance with the regulations.	DCEO	March 2018	
7	Members asked for a covering report relating to Risk for each meeting to confirm whether the Internal Audit Plan needs to be flexed during the year	DCEO	June 2018	

AUDIT COMMITTEE

TERMS OF REFERENCE

BACKGROUND

1.1   In fulfilling the requirements of its funding bodies the Corporation is required to appoint an Audit Committee.

1.2   The Audit Committee is a Committee of the Corporation and is not to be seen as an executive arm of the College. The role of the committee is to provide an independent view to the Corporation, on the Group's audit arrangements and systems of internal control and to provide an opinion as to whether it is operating in an economic, efficient and cost effective manner.

1.3   In advising the Corporation the Audit Committee is to make full use of the professional advice available from the financial statements, regularity and other audit and assurance providers.

AIM

2.1   This document sets out the terms of reference under which the members of the Audit Committee will carry out their duties.

DUTIES

Audit Committee Opinion

3.1   To produce an Annual Report for the Corporation and the College Accounting Officer, summarising the committee's activities relating to the financial year under review, including any significant issues arising up to the date of preparation of the report. The report must include the Committee's view of its own effectiveness and how it has fulfilled its Terms of Reference. The report must provide the Corporation with a separate opinion on the adequacy and effectiveness of its organisation's systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money).

Financial Statements and Regularity Auditors and Internal Audit Service

3.2   To advise the Corporation on the appointment, reappointment, dismissal and remuneration of the financial statements and regularity auditors, internal audit service and other assurance providers, and to advise the Corporation on the scope and objectives of the work of their work and establish that all such assurance providers adhere to relevant professional standards.

3.3   To consider and advise the Corporation on the annual audit strategy and audit plans for the IAS and consider and advise the Corporation annually whether there is a need for an internal audit function and if so, its remit and level and focus of internal audit activity.

3.4   To review the annual planning document of the financial statements and regularity auditors and approve the planned audit approach.

3.5   To advise the Corporation on matters of internal control and other issues included in the management letters and reports of the financial statements and regularity auditor and management's responses to these.

3.6   To consider any additional services delivered by the financial statements and regularity auditors or other assurance provider and ensure appropriate independence and objectivity is maintained taking into consideration relevant UK professional and regulatory requirements.

3.7   To meet with the external and internal auditors without management present, at least annually.

3.8 To monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports and the Financial Statements Auditor's management letter.

3.9 To review, in conjunction with management, the performance of the financial statements and regularity auditors and internal audit service on an annual basis and decide, based on this review, whether a competition for price and quality of the audit service is appropriate.

Board Assurance Framework and Risk
3.10 To consider and advise the Corporation on an annual review of the Board Assurance Framework to provide assurance of effective internal control and to review the adequacy and robustness of risk registers.

Other reports
3.11 To consider and advise the Corporation on relevant reports, for example by the National Audit Office (NAO), the Education and Skills Funding Agency (ESFA), other funding bodies and where appropriate, management's response to these.

Fraud and whistleblowing
3.12 To oversee the policies on fraud and irregularity and whistleblowing of the College Group, 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 auditors have been informed, and that appropriate follow-up action has been planned / actioned, and that all significant cases of fraud or suspected fraud or irregularity are reported to the Chief Executive of the appropriate funding body.

Recommendation for approval of Financial Statements
3.13 To recommend the Annual Financial Statements of the College Group to the Corporation for approval.

Other investigations
3.14 To review or investigate any other matters referred to the Committee by the Corporation.

DELEGATED AUTHORITY

4. 1 The Audit Committee has authority to:

1 appoint co-opted members (maximum 2) as required to meet the need for specific additional experience;
2 commission an investigation of any activity within its Terms of Reference and in order to do so has the right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit;
3 Obtain appropriate external advice when considered necessary.

4.2 Additional authority to be delegated by the Corporation when so resolved.

MEMBERSHIP

5.1 The Audit Committee is to comprise at least three members and no more than eight. Members of the Audit Committee may not also serve on the Finance Committee of the Corporation. The Committee can appoint up to two co-opted members. The Audit Committee must include at least one person, whether a governor or a co-opted member with recent and relevant accountancy, or audit and assurance, experience.

5.2 The Corporation Chair, the Head of Governance, the Group Principal / CEO, and other senior management staff may not be members of the Audit Committee. The Deputy CEO, Finance and Resources and Finance Director will attend all meetings of the committee and other senior managers may be invited to attend meetings as required.

5.3 Members of the Audit Committee will need to meet the independence requirements of the Corporation and to adhere to the Code of Conduct in place for governors and committee members.

5.3   The Audit Committee may co-opt advisers to attend meetings but must ensure that it maintains its independence when considering the appointment of members. Other members of the Corporation may, by invitation, attend Audit Committee meetings. These persons may speak and otherwise take part in the meeting on a consultative basis but co-opted members would not normally be eligible to stand as Chair of the Committee. The Group Principal / CEO, staff and student governors may be asked to withdraw when representatives from the external auditors are in attendance.

QUORUM

6.1   A quorum of the Committee shall be three members so long as there are at least two members present who are members of the Corporation.

CHAIR

7.1   The Committee members shall annually elect a Chair and Vice-chair at the first meeting of the academic year.   No person may act as Chair unless they are also a member of the Corporation.

VOTING

8.1   Voting at meetings will be determined by a show of hands.

8.2   Co-opted members will have full voting rights.

8.3   The names and votes of members shall not normally be recorded in the minutes, but any member may request that his or her vote or abstention be recorded.

8.4   In the case of an equality of votes, the Chair of the meeting will have a second or casting vote.

CLERK

9.1   The Head of Governance shall act as Clerk to the Committee.

REPORTING RESPONSIBILITIES

10.1   The Chair of the Committee shall report formally to the Corporation on the proceedings of the Audit Committee after each meeting on all matters within its duties and responsibilities.

10.2   The Audit Committee shall make whatever recommendations it deems appropriate to the Corporation on any area within its remit where action or improvement is needed.

10.3   The Audit Committee shall draw any significant recommendations and matters of concern to the attention of the Corporation.

Reviewed November 2017 and March 2018

Next Review November 2018

AUDIT COMMITTEE

PLANNED BUSINESS FOR THE YEAR

AUDIT COMMITTEE	Winter 2017	Spring 2018	Summer 2018
Recurrent Matters			
Apologies	*	*	*
Election of Chair	*		
Minutes	*	*	*
Matters arising from the minutes	*	*	*
Terms of reference & Membership	*		
Planned Business for Year	*		
Financial Statements Auditor			
Financial Statement Audit Findings Report	*		
Review of Performance of FSA and establishment of annual performance indicators for the following year and annual re-appointment	*		
Internal Auditor			
Annual Internal Audit Plan	*		
Review of performance of internal audit service and establishment of annual performance indicators for next year and annual re-appointment	*		
Annual Report	*		
Reports on reviews and progress update	*	*	*
Tracker Report on previous recommendations	*	*	*
Other Matters			
Recommendation of approval to Corporation of Annual Financial Statements	*		
Risk Management Reports	*	*	*
Fraud Register	*	*	*
Board Assurance Framework reports	*	*	*
Annual Report to Corporation	*		
Business Plan Issues	*	*	*
Date of Next Meeting	*	*	*