

**MACCLESFIELD COLLEGE
AUDIT COMMITTEE
29 NOVEMBER 2022**

AGENDA ITEM: 10

TITLE: Terms of Reference

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A PURPOSE OF THE REPORT

**WHY IS THIS PAPER BEING PRESENTED?
WHICH OF THE RESPONSIBILITIES OF THE GOVERNING BODY DOES THIS PAPER ADDRESS?**

1	Determination and periodic review of the educational character and mission	
2	Oversight of college activities	
3	Developing/approving college strategy	
4	Monitoring outcomes for learners and monitoring achievement of strategy	
5	Effective and efficient use of resources, ensuring the solvency of the college, safeguarding the college's assets	
6	Approval of the annual estimates of income and expenditure	
7	Senior staff employment and remuneration	
8	Modification or revocation of Articles	
9	Meeting statutory responsibilities	✓
10	Responsibility of the Corporation for its own procedures and activities	✓

B PROPOSED RECOMMENDATIONS FOR GOVERNORS (including consideration of options, where appropriate)

To undertake the annual review of the Audit Committee Terms of Reference and to recommend to the Corporation at the meeting to be held on 6 December 2022.

C WHAT ARE THE IMPLICATIONS FOR LEARNERS? (including any Equality and Diversity implications)

To ensure oversight of college activities.

D SUMMARY

There are no changes recommended to the Audit Committee Terms of Reference.

E DETAIL

The detail is contained within the Audit Committee Terms of Reference.

F POTENTIAL RISKS (Quality, Learner Experience, Financial, Legal)

To ensure the responsibility of the Audit Committee for its own procedures and activities.

G DATA SETS



MACCLESFIELD COLLEGE CORPORATION

AUDIT COMMITTEE

TERMS OF REFERENCE

- 1 The Committee shall comprise 6 persons consisting of:
At least three Members of the Corporation including one Member who shall be a qualified accountant. Additional Co-opted members from the business community may be appointed to provide additional expertise up to a maximum of 6.

The Principal and the Vice Principal: Finance and Resources and any other senior member of the College's staff shall attend as requested by the Chairman of the Committee.

The manager/partner of the Internal Auditors, where appointed, shall be invited to attend all Audit Committee meetings, shall have a full right of access to the Chairman of the Audit Committee and shall have the right to ask the Chairman to convene a meeting.

Funding auditors, where appointed, and Financial Statements auditors shall attend when invited by the Chairman of the Audit Committee when business relevant to them is being discussed.

The Chairman of the Committee shall be nominated by the Corporation and shall be appointed from the Audit Committee membership, excluding the Co-opted Member.

Committee Members shall hold office for a maximum of four years, or until the termination of their membership of the Corporation, whichever is earlier. Members retiring at the end of their term of office shall be eligible for reappointment. It is recommended that Members do not normally serve more than two terms of office.

- 2 The Audit Committee will:
 - i advise the governing body on the adequacy and effectiveness of the College's systems of internal control, its arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness (value for money).
 - ii advise the governing body on the appointment, reappointment, dismissal and remuneration of the financial statements' auditor (to include the regularity audit) and the internal auditors, where appointed.
 - iii advise the Corporation, usually on an annual basis, as to whether an internal audit service shall be engaged.
 - iv advise the governing body on the scope and objectives of the work of the internal audit service, where applicable, the financial statements auditor and the funding auditor where appointed.

- v ensure effective co-ordination between the internal audit service, where appointed, the financial statements auditor and the funding auditor where appointed, including whether the work of the latter shall be relied upon for internal audit purposes.
 - vi consider and advise the governing body on the audit strategy and annual internal audit plans for the internal audit service, where applicable.
 - vii advise the governing body on internal audit assignment reports, annual reports, where applicable, 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 on management's responses to these.
 - viii monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports, where applicable, the funding auditor's management letter and spot-check reports where appropriate and the management letter of the financial statements' auditors.
 - ix receive and review all documentation relating to the annual financial statements which shall be recommended to the governing body for approval subject to any decision/comment made by the Audit Committee.
 - x consider and advise the governing body on relevant reports by the NAO and the ESFA and other funding bodies, and, where appropriate, management's response to these.
 - xi establish, in conjunction with College management, relevant annual performance measures and indicators, monitor the effectiveness of the internal audit service, where applicable, 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.
 - xii produce an annual report for the governing body and accounting officer, which will include the Committee's advice on the effectiveness of the College's risk management control and governance processes, and any significant matters arising from the work of the internal audit service, where appointed, the funding auditors where appointed and the financial statements auditor.
 - xiii ensure that all allegations of fraud and irregularity are properly followed up and consider any relevant reports in accordance with the College's Whistleblowing Policy, which incorporates the Fraud and Corruption Policy, or as delegated from time to time by the governing body.
 - xiv be informed of all additional services undertaken by the internal audit service, where appointed, the financial statements auditors and the funding auditors where appointed.
 - xv ensure that any relevant procedures under (i) to (xiii) above are also adopted in relation to the activities of any College subsidiary company.
- 3 The Committee shall meet whenever necessary but not less than three times per year (i.e. once per term).

- 4 The Audit Committee shall have the authority to investigate any activity within its terms of reference. It shall have the right of access to obtain all the information and explanations it considers necessary to fulfil its remit, but it shall not be required to adopt an executive role.
- 5 A quorum shall consist of three Committee Members.
- 6 Attendance at meetings by persons who are not Committee Members shall be by invitation of the Chairman of the Committee.
- 7 The Director of Governance shall act as Clerk to the Committee and be responsible for appropriate records of meetings.
- 8 The minutes of the Committee meetings shall be made available during normal office hours by application to the Director of Governance, other than Part II agenda items, which shall remain confidential. Part I minutes of Committee meetings shall also be published on the College's website, in accordance with the mandate given by the Corporation and in compliance with the requirements of the Instrument and Articles of government.
- 9 The terms of reference of the Committee shall be reviewed annually by its Members and any proposed amendments shall be recommended to the Corporation for approval.

Rebecca Clare
Director of Governance
November 2022

Revised November 2009
Approved by the Corporation 15 December 2009
Minute 46/09 refers

Revised November 2010
Approved by the Audit Committee November 2010
Minute 45/10 refers

Revised November 2011
Approved by the Corporation 13 December 2011
Minute 45/11 refers

Revised November 2012
Approved by the Audit Committee November 2012
Minute 41/12 refers

Revised November 2013
Approved by the Corporation December 2013
Minute 55/13 refers

Revised November 2015
Approved by the Corporation December 2015



Minute 75/15 refers

Approved by the Corporation 13 December 2016
Minute 54/16 refers

Revised November 2016
Approved by the Corporation 12 December 2017
Minute 69/17 refers

Revised November 2018
Approved by the Corporation 4 December 2018
Minute refers 78/18

Revised November 2019
Approved by the Corporation 3 December 2019
Minute refers 76/19

Revised November 2020
Approved by the Corporation 8 December 2020
Minute refers 42/20