

Audit Committee

- 1** To advise the governing body on the adequacy and effectiveness of the FE 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)

This advisory role does not reduce the prime responsibility of the college management to institute, monitor and review all internal control systems

- 2** To advise the governing body on the appointment, reappointment, dismissal and remuneration of the financial statements auditor and the internal audit service (IAS)

- 3** To advise the governing body 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 (where appointed) and the financial statements auditor, including whether the work of the funding auditor should be relied upon for internal audit purposes

- 5** To consider and advise the governing body on the audit strategy and annual internal audit plans for the IAS

- 6** To advise the governing body 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

In order to facilitate such monitoring, the committee is empowered to invite individual members of staff to attend meetings

- 7** To monitor, within an agreed timescale, the implementation of agreed 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

- 8** To consider and advise the governing body on relevant reports by the National Audit Office (NAO), the Learning and Skills Council (LSC) 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 to 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 governing body and accounting officer, which should 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 IAS, the funding auditors (where appointed) and the financial statements auditor
- 11** To ensure that all allegations of fraud and irregularity are properly followed up
- 12** To be informed of all additional services undertaken by the IAS, the financial statements auditors and the funding auditors (where appointed)
- 13** To recommend the annual financial statements to the governing body for approval