

## TERMS OF REFERENCE FOR THE AUDIT COMMITTEE 2016/2017

### **Composition of Membership of Committee:**

The committee shall be made up of three governors from the Governing Board who are not members of the Finance Committee.

### **Composition Associate Membership:**

Accounting Officer  
Chair of Risk Management Action Group  
Company Secretary  
Responsible Officer  
Finance Manager

### **Current Membership:**

Governor	Vivien Duval-Steer (Chair)
Governor	Kim Johnson (Vice Chair)
Governor	Marianne Skinner

### **Current Associate Membership:**

Accounting Officer	Mr A Alexander
Responsible Officer	Internal Auditors, Devon Audit Partnership
Chair of Risk Management Action Group	Mr G Allen
Company Secretary / Director of Resources	Mrs K Dearsly
Finance Manager	Mrs S Attwood

### **Attendance**

The committee may invite to particular meetings, individuals responsible for financial management within the College.

**PA to Committee:** Michaela Savage

**Meeting dates:** 27.09.16  
2016/2017 14.03.17  
06.06.17

**Quorum:** 2

**Date agreed:** 13 September 2016

**Date of review:** September 2017

**Committee Chair's  
Signature**

<b>Terms of Reference</b>	<b>Review Cycle</b>	
<b>This is an advisory committee with no executive powers</b>		
a) To undertake annual review of the Finance Policy and Scheme of Delegation.	<b>R</b>	<b>Aut 1</b>
b) Review the operation of the Board's code of practice for board members and code of conduct for staff.	<b>R</b>	<b>Aut 1</b>
c) Review the Board's internal and external financial statements and reports to ensure that they reflect best practice.	<b>R</b>	<b>Spr 1</b>
d) Consider all relevant reports by the appointed auditors, other advisory bodies including reports on the Board's accounts, achievement of value for money and the response to any management letters.	<b>R</b>	<b>Spr 1</b>
e) Discuss with the auditors the nature and scope of each forthcoming audit and to ensure that the auditors has the fullest co-operation of staff.	<b>R</b>	<b>Sum 1</b>
f) Give a full review each September to the Governing Board on the discharge of the above duties with an interim report to the Governing Board each April.	<b>R</b>	<b>Sum 1</b>
g) Consider and advise the board on the Board's annual and long-term audit programme.	<b>R</b>	<b>Sum 1</b>
h) Review the effectiveness of the Board's internal control system to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.	<b>R</b>	<b>Aut 1 Spr 1 Sum 1</b>
i) Ensure that the Board's audit service meets, or exceeds, the standards specified in the Public Sector Internal Audit Standard, complies in all other respects with these guidelines and meets agreed levels of service.	<b>R</b>	<b>Aut 1 Spr 1 Sum 1</b>
j) Consider any other matters where requested to do so by the board.	<b>R</b>	<b>Aut 1 Spr 1 Sum 1</b>
k) Investigate any aspect of any financial concerns of mal practice advised via the whistle blowing policy.	<b>R</b>	<b>Aut 1 Spr 1 Sum 1</b>
l) To receive reports from the Risk Management Action Group.	<b>R</b>	<b>Aut 1 Spr 1 Sum 1</b>

## **2.4 Internal scrutiny**

The trust must have in place a process for checking its financial systems, controls, transactions and risks.

### **2.4.1 Audit committees**

2.4.2 Academy trusts must establish a committee, appointed by the board of trustees, to provide assurance over the suitability of, and compliance with, its financial systems and controls. Subject to section 2.4.4 trusts have flexibility over how this is achieved, but must establish either:

- a dedicated audit committee; or
- an existing committee whose combined remit includes the functions of an audit committee. This could be an addition to the terms of reference to an existing committee, such as a finance committee.

2.4.3 Within these principles:

- all trusts with an income of over £10 million or capitalised asset value of over £30 million must have a dedicated audit committee;
- multi-academy trusts which do not exceed the above size criteria, should have a dedicated audit committee; and
- all other trusts can choose to have a dedicated audit committee.

2.4.4 Audit committee functions should be established in such a way as to achieve internal scrutiny which delivers objective and independent assurance, which means that:

- staff employed by the trust should not be members of an audit committee, but may attend to provide information and participate in discussions;
- where the trust operates a combined finance and audit committee, staff may be members but should not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions.

The **accounting officer** and other relevant senior staff should routinely attend the committee in the capacity set out directly above.

2.4.5 The committee's work must focus on providing assurances to the board of trustees that risks are being adequately identified and managed by:

- reviewing the risks to internal financial control at the trust; and
- agreeing a programme of work to address, and provide assurance on, those risks.

2.4.6 The outcome of the work should inform the governance statement that accompanies the trust's annual accounts and, so far as is possible, provide assurance to the external auditors.