

## **Writtle College Board of Governors - AUDIT AND COMPLIANCE COMMITTEE**

### **Terms of Reference**

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#### **Key Function**

To provide assurances to the Writtle College Board regarding the operations of the whole system of internal control, including governance, compliance and systems in place to ensure that key risks are identified, monitored and addressed.

#### **Constitution**

The Committee shall be appointed by the Writtle College Board and shall comprise up to four members of the Writtle College Board of Governors (or such other number as the Board may from time to time determine) who shall be Independent Governors, Staff Governors or Co-Opted Governors but shall not be the Chair of the Writtle College Board of Governors, nor student member

The Committee shall have the power to co-opt up to two persons (not being Governors, staff or students of Writtle College) with particular expertise as necessary.

At least one member shall have recent and relevant experience in finance, accounting, or auditing.

The Committee may invite other persons to attend meetings as deemed appropriate.

#### **Attendance at Meetings and Frequency**

The head of internal audit and a representative of the external auditors shall normally attend meetings where business relevant to them is to be discussed. However, the Committee may, subject to approval by ARU, meet with the external and internal auditors without any staff members present.

Meetings shall normally be held three times per year with the ability to hold a fourth meeting, as well as pre meetings for members, if required.

### **Terms of Reference**

#### **In respect of external audit:**

1. To work closely with ARU, and advise the Writtle College Board on the appointment of the external auditors, the audit fee, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of the external auditors, with due regard to the ESFA Post-16 Audit Code of Practice
2. To discuss if necessary with the external auditors, before the audit begins, the nature and scope of the audit.
3. To discuss with the external auditors problems and reservations arising from the interim and final audits, including a review of the management letter incorporating management responses, and any other matters the external auditors may wish to discuss (in the absence of management where necessary).

#### **In respect of internal audit:**

4. To work closely with ARU and advise the Writtle College Board on the appointment and terms of engagement of the internal audit service, the audit fee, the provision of any non-audit services by the internal auditors and any questions of resignation or dismissal of the internal auditors.
5. To review the internal auditors' audit risk assessment and strategy; to consider major findings of internal audit investigations and management's response; and to promote co-ordination between the internal and external auditors. The Committee will ensure that the resources made available for internal audit are sufficient to meet the Writtle College's needs (or make a recommendation to the Writtle College Board as appropriate).
6. To review the internal auditors' annual report, and management response.

#### **In respect of internal and external audit recommendations:**

7. To monitor the implementation of agreed audit-based recommendations, from whatever source and to ensure that all significant irregularities have been properly investigated and that the internal and external auditors, and where appropriate the regulators, have been informed.
8. To monitor annually the performance and effectiveness of external and internal auditors, including any matters affecting their objectivity, and to make recommendations to the governing body concerning their reappointment, where appropriate.

### **In respect of matters of Risk and Compliance**

9. To ensure that Writtle College's activities remain consistent with the stated and annually reviewed Risk Appetite and to monitor the risk profile of Writtle College's activities
10. To keep under review the effectiveness of the risk management, control and governance arrangements and risk registers (including the Writtle College Risk Register); and to advise the governing body on the appropriateness of the controls and plans to mitigate risk.
11. To oversee the key policies relating to probity including those on anti-fraud, whistle blowing and anti-bribery, and to be notified of any action taken under those policies.
12. To satisfy itself that satisfactory arrangements are in place to promote economy, efficiency, effectiveness and accountability and the management of public money. \*
13. To receive any relevant reports from the National Audit Office, ESFA, Ofsted and other organisations.
14. To consider elements of the annual financial statements in the presence of the external auditors, including the auditors' formal opinion, the statement of members' responsibilities and the statement of internal control, in accordance with ESFA and Ofsted requirements.
15. To investigate any matter within its terms of reference. In the conduct of such investigations the Committee shall be authorised to seek any information it requires from any employee and all employees shall be directed to co-operate with any request made by the Committee. (Noting that the Writtle College Board is responsible for Writtle College Staff and is a signatory to a Shared Services Agreement with ARU in relation to the provision of shared services which support the College).
16. To monitor and advise the Writtle College Board on Writtle College's financial and non-financial compliance with Statute, Regulations and Directives including but not limited to Health and Safety, Prevent and Safeguarding, Data Protection and Information Security.
17. To oversee and approve arrangements for the submission of Writtle College's data returns or other reports as required by the ESFA, Ofsted or other external bodies.
18. To review the Committee's terms of reference annually (for the Writtle College and ARU Board's approval) and policies within the Committee's remit according to their review cycle.
19. To review the effectiveness and independence of the Committee on a regular basis, at least once per year.
20. In the event of the merger or dissolution of Writtle College, to ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed.

### **Quorum**

The quorum for meetings of the Committee shall be three members of the Committee of whom one may be a co-opted member of the Committee.

### **Agenda and papers**

The agenda and meeting papers will be sent to members at least 5 days prior to the meeting. Members should forward any items for inclusion on the agenda to the Clerk to the Committee.

### **Reporting Procedures**

The Committee will prepare an annual report covering Writtle College's financial year and any significant issues up to the date of preparing the report. The report will be addressed to the Writtle College Board and Principal of Writtle College and will summarise the activity for the year. It will highlight any significant issues and give the Committee's opinion of the adequacy and effectiveness of Writtle College's arrangements for the following:

- risk management, control and governance (the risk management element includes the accuracy of the statement of internal control included with the annual statement of accounts)
- economy, efficiency and effectiveness (value for money).

### **Chair**

The Chair shall be appointed by the Board of Governors for a term of 3 years. In the absence of the Chair another independent Governor will Chair the meeting.

**Clerk**

The Clerk to the Committee shall be the Clerk to the Board of Governors.

**Review of the terms of reference**

The terms of reference may be amended, modified or replaced by resolution of the Board, subject to approval by ARU.

The terms of reference should be reviewed at least annually by the Committee for the FE Board's approval.

*First drafted 16/10/2023*

*Updated 2 & 17 May 2024 and subject to Board approval*