



Audit and Risk Committee

Terms of Reference

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Staff member responsible for update	Chair of Audit and Risk Committee

Amendment History

Version	Revision Summary	Date Approved	Author
021/22	Separated from Finance Committee so new TOR developed.	7/4/22	



Audit and Risk Committee

Terms of Reference

Objectives

1. To enable Governors to meet their responsibilities by providing assurance that the College's systems of internal control, financial reporting and risk management conform with good practice and operate effectively, and by appraising the effectiveness of external audit.

Responsibilities

2. To provide appropriate assurances to the Board of Governors on the effectiveness of the College's financial governance arrangements, financial systems, internal control environment, and risk management arrangements. In particular:
 - advising the Board on the appointment and remuneration of the external auditors, the provision of any non-audit services by the external auditors and any questions of resignation or dismissal of the external auditors;
 - advising the Governors that appropriate preparations have been made to facilitate the annual audit;
 - monitoring the adequacy of management responses to and the implementation of agreed audit-based recommendations;
 - assessing the scope and effectiveness of risk management systems including financial, compliance, reputational and other risks, reviewing the risk register at least annually;
 - reviewing the scope and effectiveness of internal control arrangements and making recommendations to the Governors as and when necessary;
 - reviewing and recommending to the Governors, policies and procedures for countering fraud, money laundering, and bribery, and for providing internal control and cyber security systems to protect the College's assets, ensuring that all significant losses, if identified, have been properly investigated and that the external auditors and appropriate authorities have been informed; and
 - reviewing the adequacy of the College's arrangements for its staff, volunteers, students and contractors to raise concerns, in confidence, about possible wrongdoing in financial or other matters (whistle-blowing) and for investigating such matters and any follow up actions.

Reporting

3. Minutes will be circulated to the Board of Governors and the Finance Committee.
4. The Chair is expected to attend a Governors' meeting at least once a year and be present at the meeting at which the Governors discuss and approve the audited annual report and accounts.
5. The Chair must report issues of serious concern to the Governors immediately.

Membership

6. The Committee will comprise:
 - the Treasurer
 - a Governor with relevant expertise
 - at least two, and up to three, other non-executive members (of which two must be external) with relevant expertise appointed by the Governors including:
 - Suitably qualified Chair; and
 - Suitably qualified deputy
7. The Principal must not be a member of the Committee but is entitled to attend and speak at any meeting but not vote.
8. The Chief Operating Officer and the Head of Finance are expected to attend meetings and may speak at the Chair's discretion, unless the Committee considers there are circumstances which justify excluding them for all or part of a meeting.
9. Others may be invited to attend the whole or part of a meeting to provide specialist advice to the Chair and Committee.

Meetings

10. This is a standing committee and shall meet at least twice each year.
11. The Chair, or nominated and qualified deputy, Treasurer, and at least one other external member will constitute a quorum.
12. The Minutes of the Committee will constitute a formal record of its meetings and decisions.
13. The Audit and Risk Committee has no sub-committees.