

BOARD OF GOVERNORS

Remit of Audit and Risk Committee

1.0 Composition

The Audit and Risk Committee will have a minimum of four members of the Board.

For a meeting to be quorate, at least three members must be present.

The Committee should have a range of skills and experience and at least one member must have recent relevant financial or audit experience.

The Principal and other members of staff may be invited to attend all or part of a meeting where items of relevance are on the agenda, with the prior agreement of the Committee Chair and the Principal. The Chair of the Board may be invited to attend meetings of the Committee. The College's appointed internal and external auditors will be invited to send representatives to each meeting.

Members of the Finance, Commercial and Estates Committee, the staff nominees or anyone with executive authority in the college may not be members of the Audit and Risk Committee.

The Committee should normally meet four times per year, one of which must be to consider the annual financial statements and accompanying external audit report. The Committee will annually hold a private meeting (without College executives present) with internal and external auditors to discuss audit issues. Audit and Risk Committee Members or the internal or external auditors may request an additional private meeting at any time should there be issues that require to be discussed.

2.0 Overall Purpose

The purpose of the Audit and Risk Committee is to assure the Board of Governors that Fife College has in place a system of governance, internal control and risk management which is being maintained and developed to meet legislation and regulations applying to the sector. The Committee must support the Board and the Principal by reviewing the comprehensiveness, reliability and integrity of assurances: the College's governance, risk management and internal control framework.

3.0 Remit and Duties

3.1 Probity

- Advise on the selection, appointment and remuneration of the internal audit service
- Agree an internal audit work programme annually based on an audit needs assessment
- Receive the internal audit reports as per the agreed work programme and ensure that recommendations are adequately responded to by the college
- Receive an annual report from the internal auditor which should include an opinion on the degree of assurance that can be placed on the systems of internal control and any follow-up actions still outstanding which should be closed off by the College
- Review the annual financial statements with a view to recommending them to the Board for approval
- Receive the external auditor annual report and management letters and to ensure that any recommendations are adequately responded to by the College
- Monitor the effectiveness of internal and external audit service and promote co-ordination between the two
- Review the effectiveness of financial and other control systems ensuring value for money
- Oversee the policies on fraud and irregularity and receive reports on any fraud or irregularity, potential or real, ensuring that action is taken by the College to address these
- Receive an annual report on any matters of whistleblowing or disclosure and ensure that any recommendations from these are adequately responded to by the College

3.2 Risk Management

- Monitor and ensure the effectiveness of the College's approach to risk assessment and management through regular review of the Risk Register and other reports
- Review the prioritisation of risk management taking into account financial, reputational, commercial and other risks
- Request reviews by the College of areas of high or escalating risk ensuring that recommendations from these are adequately responded to
- Receive ad-hoc reports on matters of potential reputational, commercial and/or financial risk and ensure that the College's approach to managing the risks is appropriate and adequate
- Undertake an annual review of the risk management policy

3.3 Performance

- Scrutinise the organisational performance management, business continuity and governance processes to ensure their appropriateness and effectiveness
- Undertake a self-evaluation exercise annually to ensure that the Audit and Risk Committee complies with best practice in relation to governance and that the internal and external audit service is satisfactory
- In accordance with the Scottish Funding Council Code of Audit Practice, provide an annual report to the Board on the adequacy and effectiveness of the College's internal control systems and on the effectiveness of the work of the internal and external auditors

3.4 Other Matters

- Receive and review reports related to the work of the Committee prepared by external bodies

3.5 Reports from the Committee

- Report to each Board meeting relevant matters discussed within the Committee
- Prepare an annual report to the Board that gives an opinion on the system of governance, internal control and risk management within the College
- Report to the relevant Committee of the Board matters that impact on their remit