

AUDIT COMMITTEE

The functions listed here are delegated by the Board to the Audit Committee.

INTERNAL CONTROL	<p>Reviewing, and advising the Board of Management of, the Internal Audit Service's (IAS) and the External Auditor's assessment of the effectiveness of the College's financial and other internal control systems, including controls specifically to prevent or detect fraud or other irregularities as well as those for securing economy, efficiency and effectiveness value for money; and</p> <p>Reviewing and advising the Board of Management on its compliance with corporate governance requirements, including risk management practices and best practice guidance.</p>
INTERNAL AUDIT	<p>Advising the Board of Management on the selection, appointment or reappointment and remuneration, or removal of the contracted out IAS provider.</p> <p>Advising the Board of Management on the terms of reference for the scope of the IAS.</p> <p>Reviewing the scope, efficiency and effectiveness of the work of internal audit, considering the adequacy of the resourcing of internal audit, and advising the Board of Management on these matters.</p> <p>Advising the Board of Management of the Audit Committee's approval of the basis for and the results of the internal audit needs assessment and the strategic and operational planning processes of the College.</p> <p>Reviewing the IAS's monitoring of management action on the implementation of agreed recommendations reported in internal audit assignment reports and internal audit annual reports.</p> <p>Considering salient issues arising from internal audit assignment reports, progress reports, annual reports and management's response thereto and informing the Board of Management thereof.</p> <p>Informing the Board of Management of the Audit Committee's approval of the internal audit service's annual report.</p> <p>Ensuring establishment of appropriate performance measures and indicators to monitor the effectiveness of the IAS.</p> <p>Securing and monitoring appropriate liaison and co-ordination between internal and external audit.</p>
	<p>Ensuring good communication between the Committee and the Lead of IAS.</p> <p>Responding appropriately to notification of fraud or other improprieties received from the Lead of IAS or other persons.</p>

<p>EXTERNAL AUDIT</p>	<p>Reviewing the external auditor's annual Management Letter and monitoring management action on the implementation of the agreed recommendations contained therein.</p> <p>Advising the Board of Management of salient issues arising from the external auditor's management letter and other external audit reports, and of management's response thereto.</p> <p>Holding discussions with external auditors and ensuring their attendance at Audit Committee and Board of Management meetings as required.</p> <p>Considering the objectives and scope of any non-statutory audit work undertaken or to be undertaken, by the external auditor's firm and advising the Board of Management of any potential conflict of interest.</p> <p>To consider the fee parameters within the external audit plan.</p> <p>Securing and monitoring appropriate liaison and co-ordination between external and internal audit.</p>
<p>VALUE FOR MONEY</p>	<p>Establishing and overseeing a review process for evaluating the effectiveness of the College's arrangements for securing the economical, efficient and effective management of the College's resources and the promotion of best practice and protocols, and reporting to the Board of Management thereon.</p> <p>Advising the Board of Management on potential topics for inclusion in a programme of value for money reviews.</p> <p>Advising the Board of Management of action that it may wish to consider in the light of national value for money studies in the further education sector.</p>
<p>ADVICE TO THE BOARD OF MANAGEMENT</p>	<p>Reviewing the College's compliance with the Code of Good Governance for Scotland's Colleges and advising the Board of Management on this.</p>
	<p>Monitoring the integrity of the financial statements of the College and any formal announcements relating to the College's financial performance, reviewing significant financial reporting judgements contained in them, and from an audit perspective recommending them for approval to the Board.</p> <p>Advising the Board on the College's processes for risk, control and corporate governance.</p> <p>Producing an annual report for the Board of Management.</p>

Advising the Board of Management of significant, relevant reports from the Scottish Funding Council and Audit Scotland and successor bodies and, where appropriate, management's response thereto.

Reviewing reported cases of impropriety to establish whether they have been appropriately handled.

Act in accordance with the whistle blowing policy.

Meet in private with the internal and external auditors at least once annually.

Liaise as appropriate with the Finance and Resources Committee.

MEMBERSHIP

The membership of the Committee is six Board members, of which one will provide the role of Chair of the Committee, and one will act as Vice Chair if elected. The Chair is elected by the Board of Management and the Vice Chair is elected by the Committee. There should be no overlap of Board members with the Finance and Resources Committee. The Chair of the Board should not be a member of the Audit Committee, although he/she can attend as an observer. The membership should include a qualified accountant and if no member of the Committee is a qualified accountant then arrangements should be made for a co-option. A staff member of the Board can be a member of the Audit Committee, providing they do not have executive authority within the College which is taken as being the College Management Team level. The Board reviews the membership every four years. The Principal, the Vice Principal Resources and the Director of Finance attend the Committee as advisers. The Committee meets at least four times per year.

QUORUM

The quorum set by the Committee is three members.