



# **The Terms of Reference of the Committees of the Corporation**

**Audit and Assurance Committee**

**Search and Governance Committee**

**Appeals Committee**

**Grievance Committee**

The Terms of Reference should be used in conjunction with the Instrument and Articles of Government and Corporation Standing Orders

**Revised June 2017**

## Audit and Assurance Committee Terms of Reference

The Audit and Assurance Committee is established under the requirements of the Corporation's Instrument and Articles of Government and as a condition of funding.

The Role of the Audit and Assurance Committee is to undertake a wide assurance monitoring perspective across the activities of Halesowen College and to advise the Corporation on the adequacy and effectiveness of the Corporation's assurance framework. In addition the Audit and Assurance Committee advises and supports the Corporation in explaining in its annual report and accounts the measures it has taken to ensure it has fulfilled its statutory and regulatory responsibilities.

The Audit and Assurance Committee has the authority to investigate any activity within the terms of reference and has right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit.

Nothing has been added to the remit of the Committee that would cause it to adopt an executive role.

### Remit

1. To assess and provide the Corporation with an opinion on the adequacy and effectiveness of the College Corporation's assurance arrangements, framework of governance, risk management and control and processes for the effective and efficient use of resources, the solvency of the institution and safeguarding of its assets.
2. To consider and advise the governing body on the annual audit strategy.
3. To advise the Corporation on the appointment, reappointment, dismissal and remuneration of the external auditor, reporting accountant and other assurance providers, including internal auditors (where appointed), and establish that all such assurance providers adhere to relevant professional standards.
4. To determine relevant annual performance measures and indicators and to monitor the effectiveness of the external auditor and internal audit service (where appointed) and through these measures and indicators, decide whether a competition for price and quality of the audit service is appropriate.
5. To inform the Corporation of any additional services provided by the external auditor, reporting accountant and other audit assurance providers, including internal auditors (if applicable) and explain how independence and objectivity were safeguarded.
6. To monitor, within agreed timescales, the implementation of agreed recommendations arising from any reports of audit and assurance providers.
7. To advise the governing body on relevant reports by the National Audit Office, the SFA and other funding bodies and where appropriate, management's response to these.
8. To oversee the College's policies on fraud and irregularity and whistleblowing and ensure:
  - the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity.
  - that investigation outcomes are reported to the Audit and Assurance Committee.

- that the external auditors (and internal auditors where appointed) have been informed, and that appropriate follow-up action has been planned/actioned.
  - that all significant cases of fraud or irregularity are reported to the chief executive of the appropriate funding body.
9. To produce an Audit and Assurance Committee Annual Report for the Corporation which summarises the Committee's activities relating to the financial year under review, including:
- a summary of the work undertaken by the committee during the year.
  - any significant issues arising up to the date of the preparation of the report.
  - any significant matters of internal control included in the management letters and reports from the auditors or other assurance providers.
  - the Committee's view of its own effectiveness and how it has fulfilled its terms of reference.
  - the Committee's opinion on the adequacy and effectiveness of the College Corporation's audit and assurance arrangements, its framework of governance\*, risk management and control processes for the effective and efficient use of resources, solvency of the institution, and the safeguarding of its assets.
  - submit the Annual Report to the Corporation before the Statement of Corporate Governance and Internal Control in the accounts is signed.
  - submit a copy of the Audit and Assurance Committee's Annual Report to the relevant funding body with the annual accounts.
10. To recommend the annual financial statements to the governing body for approval.

\*with reference to the scope of the adopted 'Code of Good Governance for English Colleges'.

## Membership

At least three Committee members elected by the Corporation annually, the majority of whom must be governors at the College, who collectively have the appropriate skills and experience for the Committee to effectively discharge its duties.

The Committee maintains its independence through a range of measures, including:

- Election through Corporation
- That neither the Principal nor members of the senior management team may be members of the Committee.
- That other members of staff may sit on the Committee provided they do not have significant executive, management, financial or budgetary responsibilities.
- That the Chair, Vice Chair or any member with significant interests in the College may not be a member.
- That Co-option of individuals onto the Committee is permissible following Corporation procedures/agreement. However, any co-opted or external members may not be drawn from the College auditors, bankers or insurers.

- That any co-opted or external members should not be appointed as Chair.

### **Chair and Vice Chair**

Elected by the Corporation annually.

### **Quorum**

Three voting members.

### **Regularity of Meetings**

At least termly.

The external or internal auditor may request a meeting of the Committee if they consider that one is necessary and the Committee will endeavour to comply with such requests. In any event, the Committee must consider a minimum number of items of business each year for it to be able to function effectively and those items of business are currently set out in the table attached.

### **In Attendance**

The internal auditor shall be entitled to attend and speak at all meetings of the Committee (but not to vote) as shall the external auditor where business relevant to them is being discussed. Senior management should also be invited to attend meetings of the Committee, particularly where their area of responsibility is under discussion, and shall be entitled to attend and speak at such meetings but not to vote.

The Committee may invite the Corporation's advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meeting).

### **Confidential Session**

The Committee shall be entitled, whenever it is satisfied that it is appropriate to do so, to go into confidential session and (subject to the rules of quoracy set out above) to exclude any or all participants and observers, except the Clerk to the Committee.

### **Financial Powers**

The Committee has no delegated financial powers.

## Revised Audit Committee Cycle of Business (subject to revision)

<ol style="list-style-type: none"> <li>1. Regularity Audit Annual Self-Assessment</li> <li>2. Audit and Assurance Plan</li> <li>3. Risk Management</li> </ol>	Autumn 1
<ol style="list-style-type: none"> <li>1. Audit Reports including recommendation tracking</li> <li>2. Progress Report on Audit Action Plans</li> <li>3. Accountability Self-Assessment Report</li> <li>4. Summary of Assurance relating to systems of Internal Control and Corporate Governance</li> <li>5. External Audit Findings Report including Financial Statements and Regularity Audit for year ending 31 July</li> <li>6. Audit and Assurance Committee Annual Report</li> <li>7. Annual Members' Report and Financial Statements</li> <li>8. Halesowen College Enterprises Ltd Directors' Report and Financial Statements</li> <li>9. Audit of Pension Contributions</li> <li>10. External Audit Service Letter of Engagement</li> <li>11. Annual Review of Policies where required</li> </ol>	Autumn 2
<ol style="list-style-type: none"> <li>1. Audit Reports including recommendation tracking</li> <li>2. Progress Report on Audit Action Plans</li> <li>3. Audit and Assurance Mid-year Update</li> <li>4. Risk Management Update</li> <li>5. Health and Safety Assurance Update</li> <li>6. Anti-Fraud Self-Assessment</li> <li>7. External Audit Performance Indicators</li> <li>8. Annual Review of Policies where required</li> </ol>	Spring
<ol style="list-style-type: none"> <li>1. Audit Reports including recommendation tracking</li> <li>2. Progress Report on Audit Action Plans</li> <li>3. Self-Assessment of compliance for the Financial Memorandum</li> <li>4. External Audit Strategy</li> <li>5. Audit and Assurance Planning</li> <li>6. Appointment/Reappointment where required of Internal or External Audit service providers.</li> <li>7. Internal Audit Service Letter of Engagement</li> <li>8. Review of Committee Terms of Reference</li> <li>9. Annual Review of Policies where required</li> </ol>	Summer

## Search and Governance Committee

### Remit

1. To oversee the effectiveness of the search and appointment procedures:
  - To monitor the skills, experience and composition of the Corporation.
  - To monitor governor eligibility procedures.
  - To search for, consider nominations and applications and make recommendations to the Corporation on the appointment and reappointment of members of the Corporation (other than the Principal and staff and student elected members) in accordance with the Corporation procedures as outlined in Standing Orders.
  - To make recommendations to the Corporation on the appointment of co-opted individuals with special knowledge or skills to meet identified need to the Corporation, its committees or working groups.
  
2. To monitor the adequacy and sufficiency of arrangements of Corporation induction, training and self-assessment, including succession planning:
  - To review the Governor Training Policy and Induction Programme for Newly Appointed Governors.
  - To ensure the delivery of the Corporation self-assessment process; to recommend to the Corporation and monitor the Corporation Self-Assessment Report and Development Plan.
  - To monitor attendance records.
  
3. To monitor the arrangements for the appraisal of Principal, Senior Post holders and the Clerk.
  
4. To provide an annual report to Corporation.
  
5. To oversee governance framework arrangements including committee membership and make recommendations to the Corporation.

### Membership

Five members elected annually by the Corporation inclusive of Principal, Chair and/or Vice Chair and two independent members. Further Co-option of individual members onto the Committee is permissible following Corporation procedures.

### Chair and Vice Chair

Elected by the Corporation annually. Where a Chair or Vice Chair are no longer a member of the Committee their replacement will be elected from the membership of the Committee.

### **Quorum**

Any three members.

### **Frequency of Meetings**

A minimum of one meeting each term.

### **Conduct of the Committee**

Shall be in accordance with the Instrument and Articles of Government, Standing Orders and Code of Conduct.

### **Financial Powers**

The Committee has no financial delegated powers.

## **Appeals Committee**

### **Remit**

To conduct and determine all appeal hearings referred to it under the staff disciplinary procedures.

### **Membership**

Three members drawn from the Corporation excluding the Principal, staff and student members and excluding any member involved in an earlier stage of investigation or Committee to do with the case.

### **Chair**

Agreed by the members called.

### **Quorum**

Three

### **Frequency of Meetings**

The Committee is convened when required.

### **Financial Powers**

The Committee has no delegated financial powers.



## **Grievance Committee**

### **Remit**

To conduct hearings into grievances raised against the Principal under the Staff Grievance Procedure.

To conduct final stage hearings under the Grievance Procedure for Senior Postholders.

### **Membership**

Three members drawn from the Corporation excluding the Principal, staff and student members and excluding any member involved in an earlier stage of investigation or Committee to do with the case.

### **Chair**

Agreed by the members called.

### **Quorum**

Three

### **Frequency of Meetings**

The Committee is convened when required.

### **Financial Powers**

The Committee has no delegated financial powers.