

AUDIT AND RISK COMMITTEE (AURC)

Function

Review Newbold College's internal and external audit reports, risk management (risk register) and related audit communication.

Reports to

The Executive Committee of the Board of Governors

Quorum

Three (3) – every attempt should be made to have full attendance.

Voting

Recommendations of AURC shall be determined by a majority vote (greater than 50%) of those regular members present. In the event of a tie, the Chair shall, at his/her discretion, cast the deciding vote, or table the item for further study or future action.

Terms of Reference:

1. Review Newbold College's internal and external audit reports by focusing on:
 - a. Any changes in accounting policies and practices.
 - b. Major judgemental and risk areas.
 - c. Effectiveness of internal controls and risk management.
 - d. Significant adjustments resulting from each audit.
 - e. The 'going concern' assumption.
 - f. Compliance with accounting standards.
 - g. Compliance with appropriate UK and overseas legal requirements.
 - h. Avoidance of inaccurate or misleading information.
2. Discuss problems and reservations arising from the work of the auditor.
3. Review the auditor's communication letter and management's response.
4. Ensure that there are no unsettled issues of significance between management and the auditor which could affect the underlying accuracy of the organisation's financial reporting.
5. Develop appropriate recommendations for review by the Newbold College Executive Committee of the Board of Governors.

Responsibility

Power to recommend.

Membership

The Board of Governors shall appoint the committee. All members of the committee shall be lay members of the Executive Committee of the Board of Governors. The committee shall consist of not fewer than five members. At least one member of the committee should have recent and relevant financial experience. The Chair shall be the treasurer of the higher organisation.

Invitees

- Auditors in charge or their designee
- Newbold's Chief Financial Officer (as a presenter and to address specific queries from members of AURC)

Minutes

To be distributed to members of AURC and the Newbold College Senior Leadership Team within 14 days. A copy of the recommendations, as approved by the Newbold College Executive Committee of the Board of Governors, shall be sent to the Newbold College auditors within 30 days for approval.