

AUDIT COMMITTEE TERMS OF REFERENCE

Reports to

Board of Governors

Occurance

At least three times per year

Sub-committees

None

Membership

- Up to four Independent Members of the Board of Governors
- Up to one Co-opted Member from outside of the University with suitable experience who will not be a voting member.

At least one member should have recent and relevant experience in finance, accounting or auditing. The Chairman of the Board cannot be a member of the Audit Committee.

The Chair shall be determined from the membership of the Audit Committee. The Chair of the Committee will be an Independent member of the Falmouth Board of Governors.

In attendance

- Vice-Chancellor & Chief Executive
- Chief Operating Officer
- Director of Finance
- Secretary to the Board of Governors [Secretary]
- Clerk to the Boards [Clerk]

Other members of staff shall be invited to attend for items which relate to their department.

Internal and External Auditors will be invited to all meetings. Annually the Internal and External Auditors will meet with the Audit Committee without the Falmouth Executive being present.

Quorum

A meeting shall be quorate when two Independent Members, one of whom must be the Chair are present. A member of Audit Committee may join the meeting remotely with prior approval from the Chair.

Terms of Reference

1. To advise the Board of Governors on the effectiveness of Falmouth's internal control system, i.e.: the whole system of controls - financial, management and otherwise, established in order to carry on the business of Falmouth in an orderly and efficient manner, ensure adherence to management strategies, policies and directives, safeguard assets, secure as far as possible the completeness and accuracy of records,

and promote economy, efficiency and effectiveness.

2. In relation to the systems of internal control of related companies, to monitor the measures taken by the Boards of Falmouth Exeter Plus, Tremough Development Vehicle Ltd, Cornwall Plus Ltd, and other related group companies and to raise any issues of concern with Falmouth's nominated directors of those Boards.
3. To oversee Falmouth's procedures and controls in respect of fraud and irregularity including the supervision of any action taken under these.
4. To advise the Board of Governors on the criteria for the selection and appointment of internal and external auditors for Falmouth.
5. To advise the Board of Governors on the adequacy and effectiveness of systems of internal control relating to the quality and robustness of data submitted in statutory returns.
6. To consider and advise the Board of Governors on the annual and longer term operating plans of Falmouth's internal auditors including special studies.
7. To monitor and advise the Board of Governors on the effectiveness of the internal and external audit service and promote co-ordination between Internal and External Auditors.
8. To receive, consider and advise the Board of Governors on audit reports, including VfM reports (including reports from the National Audit Office, HEFCE and others) and to monitor the implementation of approved recommendations.
9. To advise the Board of Governors on the effectiveness of Falmouth's Risk Management Policy and the statement of internal control within the financial statements.
10. To receive, consider and advise the Board of Governors in respect of the Annual Health & Safety Report to the Board.
11. To review the audited financial statements with particular reference to the corporate governance statement, control issues and the external audit report, and to give an opinion on governance in the Annual Report of the Audit Committee to the Board of Governors.
12. To report to the Board of Governors as frequently as necessary and to submit an annual report on the work done in the year and including the Audit Committee's opinion on overall internal control.
13. To carry out such additional duties as may be delegated by the Board of Governors including the power to make decisions on specific issues.

Audit Committee Annual Report

The Audit Committee will report annually to the Board of Governors

Reporting Arrangements

The minutes of meetings of the Audit Committee will be circulated to all members of the Board.

Approved by:

Audit Committee

18 March 2016

Board of Governors

12 February 2016