



COLEG GWENT FURTHER EDUCATION CORPORATION AUDIT COMMITTEE

TERMS OF REFERENCE
Approved 23 July 2019

The Audit Committee is a statutory committee under the terms of the Financial Memorandum between Welsh Government and FE colleges and the Instrument & Articles of Government. It is responsible to the Board and is authorised to investigate any activity within its terms of reference. The Committee may also seek any information it requires from any employee of the College and staff members must cooperate with any request for information.

The Audit Committee has the right to go into confidential session and to exclude any person if it is satisfied that this is appropriate. At least once a year the Committee will meet with the external and internal auditors without any officers of the College being present.

1. Executive Responsibilities

- 1.1 To ensure that Coleg Gwent complies with the mandatory requirements of the Welsh Government Audit Code of Practice.
- 1.2 To ensure that the College has in place appropriate mechanisms for the assessment and management of risk.
- 1.3 To ensure that Coleg Gwent has adequate systems and procedures in place to promote economy, efficiency and effectiveness.
- 1.4 To agree the nature and scope of audit work, including any in-year changes to the approved internal audit periodic plan.
- 1.5 To consider the draft annual financial statements prior to submission to the Board for formal approval. This review should include specific consideration of significant accounting policies, Members' responsibilities and the Corporate Governance statement. The Committee's view on any statement of the effectiveness of the internal control system will be provided to the Board as part of the Committee's Annual Report.
- 1.6 To consider major findings of internal audit investigations and management responses.
- 1.7 To promote coordination between internal and external auditors.
- 1.8 To ensure that resources made available for internal audit are sufficient to meet the College's needs.
- 1.9 To oversee, and regularly review, the College's policies on fraud and irregularity (including Anti- Fraud, Disclosure of Malpractice – Whistleblowing, and Anonymous Allegations), including any action taken under those policies, and to undertake periodic reviews of related records via a Report from the Governance Officer.
- 1.10 To regularly review and approve the College's Financial Regulations and other relevant policies as delegated by the Board.

- 1.11 To ensure that all significant losses have been properly investigated and reported to the Board and that the internal and external auditors and the audit service of the Welsh Government have been fully informed.
- 1.12 To receive the annual audited accounts of the Coleg Gwent Students' Union.
- 1.13 To produce an Annual Report for submission to the Board, accompanied by the internal auditors' annual report, summarising the Committee's activity for the year. The Report will give the Committee's opinion, based on the work of internal and external audit and any other work conducted during the year, on the effectiveness of the internal control system, including risk management and corporate governance arrangements. The Report will be submitted in time to be taken into account by the Board in its consideration of the Members' responsibility statement in the annual financial statements.

2. Monitorial Responsibilities

- 2.1 To review the effectiveness of internal control systems, including the findings and conclusions arising from audits and, in particular, the external auditors' Management Letter and Communication with Those Charged with Governance and the internal auditors' annual report and management responses.
- 2.2 To review the assurance mechanisms for ensuring compliance with the College's corporate governance requirements.
- 2.3 To monitor the implementation of agreed audit recommendations.
- 2.4 To review relevant audit reports from the audit service of the Welsh Government, WAO and other organisations and to monitor implementation of relevant recommendations.
- 2.5 To monitor the performance and effectiveness of external and internal audit as the basis for recommendations to the Board concerning their re-appointment.
- 2.6 To monitor the implementation of audit related letters and guidance when received.
- 2.7 To review an Annual Report on entries in key Registers, including Interests, Gifts and Hospitality and Freedom of Information Records.

3 Advisory Responsibilities

- 3.1 To advise the Board on the appointment and terms of engagement of the internal auditors, the audit fee, the provision of non-audit services by the internal auditors and any question of their resignation or dismissal, and to make a recommendation to the Board on their annual re-appointment.
- 3.2 To advise the Board on the appointment and remuneration of the external auditors and the scope of their work, including any non-audit services provided and any question of resignation or dismissal, and to make a recommendation to the Board on their annual re-appointment.
- 3.3 To review and recommend the Internal Audit Needs Assessment, Strategy and Periodic Plan.
- 3.4 To provide advice, where required, to the Board or other committees of the Board.

4. Additional matters

- 4.1 The Committee has executive responsibility only as specifically delegated to it by the Corporation and as set out in the Memorandum of Understanding with Welsh Government.
- 4.2 The Audit Committee may obtain independent, professional advice and secure the attendance at its meetings of non-members with relevant experience and expertise.
- 4.3 The Committee Chair will provide a regular report on the activities of the committee to the Board.
- 4.4 The Governance Officer will act as Clerk to the committee.
- 4.5 The Governance Officer will ensure that copies of minutes, or draft minutes (redacted where appropriate) are circulated to all Corporation members for information at the next appropriate Board meeting.
- 4.6 These Terms of Reference will be reviewed ANNUALLY

Composition:

Six

Comprising four Board Members
(excluding the Chair, Principal, Staff and Students)

plus

Two External Committee Members

The Chair of the Committee must be a Board Member.

No member of the Finance & Resources Committee may serve on the Audit Committee.

Quorum:

Three (50%), of which two (including the Committee Chair) must be Board Members.

Frequency of meetings:

4 (minimum 3) per annum - Termly



CORFFORAETH ADDYSG BELLACH COLEG GWENT PWYLLGOR ARCHWILIO

CYLCH GORCHWYL
Cymeradwywyd 23 Gorffennaf 2019

Mae'r Pwyllgor Archwilio yn bwyllgor statudol o dan delerau'r Memorandwm Ariannol rhwng Llywodraeth Cymru a cholegau Addysg Bellach ac Offeryn ac Erthyglau'r Llywodraeth. Mae'n atebol i'r Bwrdd ac mae ganddo awdurdod i ymchwilio i unrhyw weithgaredd o fewn ei gylch gorchwyl. Caiff y Pwyllgor hefyd ofyn am unrhyw wybodaeth angenrheidiol gan unrhyw un o weithwyr y Coleg ac mae'n rhaid i'r aelodau staff gydymffurfio ag unrhyw gais ganddo am wybodaeth.

Mae gan y Pwyllgor Archwilio yr hawl i gynnal sesiwn gyfrinachol a gwahardd unrhyw unigolyn o'r sesiwn os yn fodlon bod hyn yn briodol. Bydd y Pwyllgor yn cyfarfod yr archwilwyr allanol a mewnol o leiaf unwaith y flwyddyn heb i unrhyw rai o swyddogion y Coleg fod yn bresennol.

1. Cyfrifoldebau Gweithredol

- 1.1 Sicrhau bod Coleg Gwent yn cydymffurfio â gofynion gorfodol Cod Ymarfer Archwilio Llywodraeth Cymru.
- 1.2 Sicrhau bod y coleg yn sefydlu systemau priodol er mwyn asesu a rheoli risg.
- 1.3 Sicrhau bod gan Coleg Gwent systemau a gweithdrefnau digonol ar waith er mwyn hyrwyddo economi, effeithlonrwydd ac effeithiolrwydd.
- 1.4 Cytuno i natur a chwmpas gwaith archwilio, gan gynnwys unrhyw newidiadau o fewn y flwyddyn i gynllun cyfnodol cymeradwy'r archwiliad mewnol.
- 1.5 Ystyried y datganiadau ariannol blynyddol drafft cyn eu cyflwyno i'r Bwrdd i gael eu cymeradwyo'n ffurfiol. Dylai'r adolygiad hwn roi ystyriaeth benodol i bolisiâu cyfrifo arwyddocaol, cyfrifoldebau Aelodau a'r datganiad Llywodraethu Corfforaethol. Bydd barn y Pwyllgor ar unrhyw ddatganiad am effeithiolrwydd y system reoli fewnol yn cael ei darparu i'r Bwrdd fel rhan o Adroddiad Blynyddol y Pwyllgor.
- 1.6 Ystyried canfyddiadau mawr ymchwiliadau archwiliadau mewnol ac ymatebion y rheolwyr.
- 1.7 Hyrwyddo cydlyniant rhwng archwilwyr mewnol ac allanol.
- 1.8 Sicrhau bod digon o adnoddau ar gael ar gyfer archwiliad mewnol er mwyn ateb anghenion y Coleg.
- 1.9 Goruchwyllo ac adolygu polisiâu'r Coleg ar dwyll ac anghysondeb yn rheolaidd (gan gynnwys polisiâu Gwrth-Dwyll, Datgelu Camymddygiad – Chwythu'r Chwiban a Honiadau Dienw), gan gynnwys unrhyw gamau a gymerwyd yn unol â'r polisiâu hynny, a chynnal adolygiadau cyfnodol o gofnodion cysylltiedig drwy gyfrwng adroddiad gan y Swyddog Llywodraethu.
- 1.10 Adolygu a chymeradwyo Rheoliadau Ariannol y Coleg yn rheolaidd, yn ogystal â pholisiâu perthnasol eraill fel y dirprwyir gan y Bwrdd.

- 1.11 Sicrhau bod ymchwil priodol yn digwydd i unrhyw golled sylweddol a bod adroddiad yn cael ei gyflwyno i'r Bwrdd. Sicrhau bod archwilwyr mewnol ac allanol a gwasanaeth archwilio Llywodraeth Cymru yn cael eu hysbysu'n briodol.
- 1.12 Derbyn cyfrifon blynyddol archwiliedig Undeb Myfyrwyr Coleg Gwent.
- 1.13 Paratoi Adroddiad Blynyddol i'w gyflwyno i'r Bwrdd, ynghyd ag adroddiad blynyddol yr archwilwyr mewnol, yn crynhoi gweithgaredd y Pwyllgor am y flwyddyn. Bydd yr Adroddiad yn mynegi barn y Pwyllgor, yn seiliedig ar waith yr archwiliadau mewnol ac allanol ac unrhyw waith arall a gynhaliwyd yn ystod y flwyddyn, ar effeithiolrwydd y system reoli fewnol, gan gynnwys y trefniadau rheoli risg a llywodraethu corfforaethol. Bydd yr Adroddiad yn cael ei gyflwyno mewn amser i fod yn rhan o ystyriaeth y Bwrdd o ddatganiad cyfrifoldeb Aelodau yn y datganiadau ariannol blynyddol.

2. Cyfrifoldebau Monitro

- 2.1 Adolygu effeithiolrwydd systemau rheoli mewnol, gan gynnwys y canfyddiadau a'r casgliadau a gyfyd yn sgil archwiliadau ac, yn benodol, Llythyr Rheoli/Cyfathrebu â'r Rhai sy'n Gyfrifol am Lywodraethu yr archwilwyr allanol ac adroddiad blynyddol yr archwilwyr mewnol ac ymateb y rheolwyr.
- 2.2 Adolygu'r systemau sicrwydd er mwyn sicrhau cydymffurfiaeth â gofynion llywodraethu corfforaethol y Coleg.
- 2.3 Monitro gweithrediad argymhellion yr archwiliad y cytunwyd arnynt.
- 2.4 Adolygu adroddiadau archwiliadau perthnasol gan wasanaeth archwilio Llywodraeth Cymru, Swyddfa Archwilio Cymru a sefydliadau eraill er mwyn monitro gweithrediad argymhellion perthnasol.
- 2.5 Monitro perfformiad ac effeithiolrwydd archwiliad allanol a mewnol fel sail i argymhellion y Bwrdd mewn perthynas ag ailbenodiadau.
- 2.6 Monitro gweithrediad llythyrau a chanllawiau cysylltiedig ag archwilio pan y'i derbynnir.
- 2.7 Adolygu Adroddiad Blynyddol ar gofnodion mewn Cofrestrau allweddol, gan gynnwys Cofnodion Diddordebau, Rhoddion a Lletygarwch a Rhyddid Gwybodaeth.

3 Cyfrifoldebau Cyngori

- 3.1 Cyngori'r Bwrdd ynglŷn â phenodiad a thelerau ymgysylltu'r archwilwyr mewnol; ffi'r archwiliad, darpariaeth gwasanaethau nad ydynt yn rai archwilio gan yr archwilwyr mewnol ac unrhyw drafod ynglŷn â'u hymddiswyddiad neu ddiswyddiad, ac i wneud argymhellion i'r Bwrdd ynglŷn â'u hailbenodiad blynyddol.
- 3.2 Cyngori'r Bwrdd ynglŷn â phenodiad a thâl yr archwilwyr allanol a chwmpas eu gwaith, gan gynnwys darpariaeth unrhyw wasanaethau nad ydynt yn rai archwilio ac unrhyw drafod ynglŷn â'u hymddiswyddiad neu ddiswyddiad, ac i wneud argymhellion i'r Bwrdd ynglŷn â'u hailbenodiad blynyddol.
- 3.3 Adolygu ac argymhell Asesiad o Anghenion, Strategaeth a Chynllun Cyfnodol yr Archwiliad Mewnol.
- 3.4 Darparu cyngor, yn ôl yr angen, i'r Bwrdd neu i bwyllgorau eraill y Bwrdd.

4. Materion ychwanegol

- 4.1 Dim ond fel y dirprwywyd yn benodol iddo gan y Gorfforaeth ac fel y nodir yn y Memorandwm Dealltwriaeth gyda Llywodraeth Cymru y mae gan y Pwyllgor gyfrifoldeb gweithredol.
- 4.2 Caiff y Pwyllgor Archwilio ofyn cyngor proffesiynol, annibynnol a sicrhau presenoldeb unigolion nad ydynt yn aelodau sydd â phrofiad ac arbenigedd perthnasol yn ei gyfarfodydd.
- 4.3 Bydd Cadeirydd y Pwyllgor yn darparu adroddiad rheolaidd ar weithgareddau'r pwyllgor i'r Bwrdd.
- 4.4 Bydd y Swyddog Llywodraethu yn gweithredu fel Clerc y Pwyllgor.
- 4.5 Bydd y Swyddog Llywodraethu yn sicrhau bod copïau o'r cofnodion, neu gofnodion drafft (wedi eu golygu os yn briodol) yn cael eu dosbarthu i holl aelodau'r Gorfforaeth er gwybodaeth yng nghyfarfod priodol nesaf y Bwrdd.
- 4.6 Bydd y Cylch Gorchwyl hwn yn cael ei adolygu'n FLYNYDDOL

Aelodaeth:

Chwech

Yn cynnwys pedwar Aelod o'r Bwrdd
(ac eithrio'r Cadeirydd, y Pennaeth, Staff a Myfyrwyr)

a

Dau Aelod Pwyllgor Allanol

Rhaid i Gadeirydd y Pwyllgor fod yn Aelod o'r Bwrdd.

Ni chaiff unrhyw aelod o'r Pwyllgor Cyllid ac Adnoddau fod ar y Pwyllgor Archwilio.

Cworwm:

Tri (50%), y mae'n rhaid i ddau ohonynt (gan gynnwys Cadeirydd y Pwyllgor) fod yn Aelodau o'r Bwrdd.

Amledd y cyfarfodydd:

4 (lleiafswm o 3) y flwyddyn – Bob tymor