BOARD ASSURANCE POLICY

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1. Purpose of this Document

This board assurance policy ("the policy") forms part of the College's internal control and corporate governance arrangements.

The policy explains the principles and main features of the College's approach to obtaining the requisite assurance in respect of internal control and risk management and documents the roles and responsibilities of the board of governors, the Audit Committee and other key parties. It also outlines key aspects of the risk management process and identifies the main reporting procedures.

2. Principles

The following principles underpin the College's approach to internal control and risk management:

- The board of governors has responsibility for ensuring that effective arrangements are in place for internal control and risk management within the College as a whole;

- An open and receptive approach to solving potential and actual problems related to internal control and risk is adopted by the board of governors;

- The Principal / Chief Executive, the Clerk and the Executive Team (ET) support, advise on and implement policies approved by the board of governors;

- The College makes conservative and prudent recognition and disclosure of the financial and non-financial implications of risks;

- ET members are accountable for encouraging good internal control and risk management practice within their designated areas of responsibility; and

- Key risks and risk indicators are identified and systematically monitored on a regular basis.

3. Role of the Board of Governors

The **board of governors** has a fundamental role in the establishment of effective internal control and the management of risk. That role is to:

a. Ensure that the College has a comprehensive (i.e. covering all areas of the College and any partnerships) and robust framework of internal controls.

b. Set the tone and influence the culture of risk management within the College, including:

   - Determining whether the College is 'risk taking' or 'risk averse' as a whole or on any relevant individual issue;

   - Determining which types of risk are acceptable and which are not, and

   - Setting the standards and expectations of staff with respect to conduct and probity.

c. Take major decisions affecting the College's risk profile or exposure, where appropriate approving policies for the management of particular risks. The policies are implemented and communicated to staff by senior management.   Written procedures support the policies where appropriate.

d. Monitor the management of significant risks to reduce the likelihood of unwelcome surprises or impact and satisfy itself that the less significant risks are being actively managed, with the appropriate controls in place and working effectively.

e. Consider, usually after detailed scrutiny by the relevant committee, reports from external agencies (such as funding agencies, auditors, OfSTED and other inspectorates) reports relating to the effectiveness of controls and the management of risk and ensure that appropriate action is taken in response.

f. Annually review the College's approach to internal control and risk management to ensure that it responds to changing needs and circumstances and approve changes to policy or to key elements of the relevant processes.

g. Approve the strategic plan, budget and financial forecast, which set the framework for the setting of objectives, action planning and the allocation of resources and, in the light of detailed scrutiny by appropriate committees, monitor progress and compliance.

4. Roles of the Executive Team and the Audit Committee

The **Executive Team** undertakes the following key activities:

- Takes overall responsibility for the administration and implementation of internal control and risk management processes

- Identifies and evaluates the significant risks faced by the College for inclusion in the risk register and consideration by the board of governors, and puts in place appropriate mitigations and controls

- Communicates to staff the risks to which the College is exposed and ensures that these risks are effectively managed

- Provides adequate information, via the risk register and elsewhere as appropriate, in a timely manner to the board of governors and its committees on the status of risks and controls

- Advises the board of governors of new or modified legal and regulatory requirements giving rise to changes in monitoring and reporting

The **Audit Committee** undertakes the following key activities:

- Advises on the appointment of external auditors

- Reviews the internal audit plan, which includes a review of the effectiveness of critical parts of the internal control system, and commends the plan to the Board. The internal audit plan is based upon consideration, inter alia, of the College's exposure to risk as set out in the risk register and relevant regulatory requirements

- Scrutinises the risk register at least biannually, challenging the content and suggesting improvements, before commending the register to the board of governors

- Receives and considers the reports of the internal, financial statements and regularity auditors and reviews the effectiveness of the College's internal control

- Reports annually to the board of governors upon the Committee's activities and provides an opinion on the fitness for purpose of the College's internal control and risk management processes

Ratified by the Board 26 April 2018