

Risk and Audit Committee

Terms of Reference

(Compliant with DfE College Auditor Framework and Guide 2024–2025)

Document Control

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1. Purpose

The Risk and Audit Committee is established by the Governing Corporation to provide independent assurance on the adequacy and effectiveness of the College’s systems of governance, risk management, internal control, and arrangements for securing economy, efficiency, and effectiveness (value for money). The Committee also ensures compliance with the DfE’s College Auditor Framework and Guide (2024–25), the College Financial Handbook, and related regulatory requirements.

2. Authority

- Investigate any activity within its terms of reference.
- Seek any information it requires from any employee, governor, or external party.
- Obtain external professional advice and secure the attendance of external persons with relevant expertise, if considered necessary.
- Meet with auditors, the Accounting Officer, or other staff independently of management.
- Report directly to the Corporation and, where required, to the DfE or Office for Students (OfS).

3. Membership

The Committee shall consist of at least three governors, none of whom shall be the Chair of the Corporation or the Principal/Accounting Officer. Members shall collectively possess recent and relevant experience in risk management, finance, audit, or assurance.

Chair	Elected by the Committee from among its members (not a staff or student governor).
Quorum	Two members.
In Attendance	Principal (Accounting Officer), Chief Financial Officer, Internal Auditor, External Auditor, and Clerk.
Clerk	The Clerk to the Corporation will act as Secretary.

Frequency	At least three times per year, with additional meetings if required.
Private Meetings	At least once annually with auditors without management present.

4. Duties and Responsibilities

A. Risk Management and Internal Control

- Review and advise on the adequacy of the College’s risk management framework and internal controls.
- Oversee maintenance of the College Risk Register and its alignment with strategic objectives.
- Receive and investigate reports on fraud, theft, or cyber ransom incidents, ensuring compliance with DfE reporting requirements.
- Monitor compliance with statutory and regulatory requirements, including data protection and funding conditions.

B. Internal Assurance

- Approve and review the Internal Assurance Strategy and Annual Plan.
- Consider internal assurance reports, recommendations, and management responses.
- Assess the effectiveness and independence of the internal assurance function.
- Ensure timely implementation of assurance recommendations.

C. External Audit and Regularity Engagement

- Recommend appointment or removal of the External Auditor (and Reporting Accountant).
- Review the scope, terms of engagement, and fees for external audit and regularity engagement per the DfE Framework.
- Review the External Auditor’s Management Letter, Audit Findings Report, and draft Annual Accounts.
- Scrutinise the Regularity Self-Assessment Questionnaire (RSAQ) and the Accounting Officer’s Statement of Regularity, Propriety and Compliance.
- Ensure that any material irregularities or funding non-compliance are reported promptly to DfE.

D. Financial Reporting and Assurance

- Monitor the integrity of financial reporting and compliance with DfE’s College Accounts Direction.
- Ensure compliance with delegated authority limits, including severance, write-offs, and borrowings.
- Review financial control policies including anti-fraud, bribery, procurement, and expenses.

E. Governance and Compliance

- Ensure an external governance review every three years and annual self-assessments in interim years.
- Oversee whistleblowing, anti-fraud, and anti-bribery policies.
- Advise on auditor appointments and resignations, notifying DfE as required.
- Review Committee effectiveness annually.

5. Reporting

The Committee will provide an annual written report to the Governing Corporation summarising key audit and assurance findings, the adequacy of risk management and internal control systems, and any issues of regularity or propriety. This report will support the Accounting Officer's Statement of Regularity, Propriety and Compliance and the Corporation's Annual Report.

6. Access and Confidentiality

The Committee and auditors shall have unrestricted access to relevant documentation, governors, and staff. All information obtained in the course of Committee business shall be treated as confidential except where disclosure is required by law or the DfE.

7. Review

These Terms of Reference shall be reviewed annually by the Committee and approved by the Governing Corporation to ensure compliance with the DfE College Auditor Framework and Guide and any subsequent updates.