

WQE & Regent College Group

AUDIT & RISK COMMITTEE

APPROVED TERMS OF REFERENCE 2025

1. The **Committee's role is to:**

- 1.1 act as an advisory Committee of the Corporation
- 1.2 meet the requirements in HM Treasury's 'Managing Public Money' and other related obligations arising from the ONS reclassification of Colleges
- 1.3 advise the Corporation on matters relating to its audit and risk arrangements and systems of internal control. Its minimum terms of reference are determined by the Post- 16 Audit Code of Practice.
- 1.4 consider relevant policies and procedures that require Corporation approval and, where agreed, recommend them for approval to the Corporation.

The Committee notes the following College strategies and will consider the implementation of these strategies through its oversight:

- Estates Strategy
- Financial Planning
- Digital Strategy
- People Strategy
- Sustainability Strategy

2. The **Committee's responsibilities** are:

- 2.1 to advise the Corporation on the adequacy and effectiveness of the College's assurance arrangements, framework of governance, risk management and control processes (including any subcontracting arrangements) and assess their application in practice
- 2.2 to advise the Corporation on the appointment, reappointment, adequacy, dismissal and remuneration of the financial statements auditor, to ensure they adhere to relevant professional standards and to safeguard independence and objectivity
- 2.3 to notify the regulator of the resignation or removal of auditors, but not where a routine change of auditors has taken place
- 2.4 to advise the Corporation on the scope and objectives of assignments to provide assurance on internal controls and the audit strategy
- 2.5 to advise the Corporation on external assurance reports and on any control issues raised
- 2.6 to monitor, within an agreed timescale, the implementation of agreed recommendations relating to external assurance reports, and the financial statements auditor's management

- letter
- 2.7 to establish, in conjunction with College management, relevant annual performance measures and indicators, and to monitor the effectiveness of the financial statements auditors, and decide, based on this review, whether a competition for price and quality of the audit service is appropriate.
 - 2.8 to ensure that the external audit is put out to tender at least every 5 years, balancing the need to ensure value for money and a quality audit product with the cost of the tender process
 - 2.9 to produce an annual report for the Corporation and Accounting Officer, to include the committee's advice on the effectiveness of the College's risk management, control and governance processes, and any significant matters arising from the work of the financial statements auditor and external assurance assignments
 - 2.10 to oversee the College's policies and annual reports on fraud and irregularity and whistleblowing, and ensure the proper, proportionate investigation of all allegations and instances of fraud and irregularity. The Committee may be convened at short notice should there be a significant instance of fraud or irregularity reported
 - 2.11 to be informed of any significant breaches of legislation or major incidents and to review the actions taken by the College in response to those occurrences and to report onwards to the Corporation. The Committee may be convened at short notice should there be a requirement to consider such matters.
 - 2.12 to be informed of all additional services undertaken by the financial statements auditors.
 - 2.13 to consider the development of members and put in place appropriate training to ensure their skills and knowledge are up to date. Where the Committee identifies a gap in its existing skillset, training and development should be provided to address this in the first instance.
 - 2.14 to ensure that departing Accounting Officers provide a statement on regularity, propriety and compliance covering the reporting period up to the date of departure where possible
 - 2.15 to ensure that external auditors will present their findings annually to the Corporation.

3. Membership

- 3.1 The Committee shall comprise a minimum of four External or Parent Governors. The Committee must include individuals with an appropriate mix of skills and experience to allow the committee to discharge its duties effectively. Collectively, members of the Committee should have recent, relevant experience in assurance, audit, compliance, risk management finance
- 3.2 Any financial interests must be disclosed on the Register of Interests
- 3.3 Membership of the Committee will exclude the Chair of the Corporation, Staff and Student Governors and the Principal. The Principal may attend part of a Committee meeting to present specific papers relating to risk and other internal control frameworks
- 3.4 The quorum will be 3 and at least two of those present must be either External Governors or Co-opted Members
- 3.5 The Committee may co-opt up to three people whose expertise may be of assistance to the

- Committee. Co-option may be for two years, but will be reviewed on an annual basis
- 3.6 The Chair shall be proposed by Governors of the Committee to the Corporation at the summer meeting, preceding the commencement of a new financial year. Co-opted Members may not be elected as Chair
 - 3.7 In the absence of the Chair from any meeting, a Chair shall be chosen by those present to conduct that meeting. The Principal may not perform this function
 - 3.8 A member who ceases to be a member of the Corporation for whatever reason will automatically cease to be a member of this Committee, unless the Corporation has approved their nomination to join the Committee as a Co-opted Member
 - 3.9 Agendas for the meetings shall be distributed 7 days ahead of a meeting
 - 3.10 The Committee should meet at least three times a year, or else provide an explanation of the reason for this in its annual report. The Committee may meet more often if necessary, to meet its responsibilities. Any variation to the meeting pattern is subject to discussion and approval of the Corporation
 - 3.11 Outside of the standard meeting pattern, the Committee Chair and its members retain oversight for the matters outlined within the terms of reference and the annual Business Plan and agree to convene the Committee at short notice for substantive matters which require urgent scrutiny, should the Corporation so authorise.

4. Behaviours

- 4.1 The Committee will be most effective when it includes members who are prepared to support, challenge, and alert Governors, and ask the right questions at the right time
- 4.2 In planning for a Committee meeting, the Chair especially should be very clear as to why a matter is on the agenda, what the executive management's insights and recommendations are and what decisions the Committee is being asked to make
- 4.3 The Committee members, through the Chair, should make clear their expectations in terms of the information to be included in the meeting pack
- 4.4 The Committee has a right to scrutinise any activity within its terms of reference, which may involve engaging a third party to assist
- 4.5 The Committee has the right to access all the information and explanations it considers necessary, from whatever source, to fulfil its remit
- 4.6 The Committee has a responsibility for the Corporation, in appointing members, to maintain the Committee's independence and objectivity
- 4.7 The Committee shall support the Corporation proactively with succession planning

4.8 The Committee commits to ongoing CPD in order to ensure it maintains a sufficient level of competence and awareness to fulfil its collective duties ongoing

4.9 The Committee must not adopt an executive role.

Appendix A

Important reference documents for the Audit & Risk Committee:

[The scope of work of audit committees and internal auditors in college corporations - GOV.UK](#)

[Post-16 Audit Code of Practice](#)

[College Financial Handbook](#)

[ESFA subcontracting standard](#)

Governance:

[AoC Code of Good Governance](#)

[FE and Sixth Form College Corporations: Governance Guide](#)

[External governance reviews: guide for FE college corporations and designated institutions - GOV.UK](#)

Other College strategies for the Committee to note:

- Strategic Plan
- Financial Planning
- Curriculum & Skills Strategy
- Quality Strategy
- Teaching & Learning Strategy