

TERMS OF REFERENCE OF THE AUDIT AND RISK COMMITTEE

INTRODUCTION

As the Company's governing body, the Board of Directors of the Company (the "**Board**") has the ultimate responsibility for the governance of the Company, its compliance with the ongoing conditions of registration with the Office for Students and overall responsibility for risk management and internal control.

The Company's Articles of Association require the Board to establish and thereafter maintain a committee, to be known as the "Audit and Risk Committee", which shall advise the Board on matters relating to the Company's audit arrangements and systems of internal control.

The Board has delegated to the Audit and Risk Committee responsibility for overseeing and providing assurance to the Board on the effectiveness of the operation of the Company's processes and systems, the management of risk, and the correctness and integrity of the information provided to the Board and external bodies. The Audit and Risk Committee shall report to the Board on all matters within its delegated authority in such format and upon such frequency as the Board may require. The Board has approved these Terms of Reference for the Audit and Risk Committee, which shall be reviewed on an annual basis.

The provisions of the Standing Orders of the Board of Directors of the Company and its Committees shall apply to the management and operation of the Audit and Risk Committee, save as set out below.

COMPOSITION AND MEMBERSHIP

The membership of the Audit and Risk Committee shall be appointed by the Board and shall consist of no less than two members, of which at least one will be an Independent Director and at least one shall have expertise in financial or accounting matters. The Chair of the Audit and Risk Committee will be appointed by the Board from among its members.

Members of the Company's Executive Team or the Managing Director may not be members of the Audit and Risk Committee.

The terms of office of members of the Audit and Risk Committee shall be up to three years, renewable for up to three further years.

Any Board member (including those who are not members of the Audit and Risk Committee) or member of the Company's Executive Team may attend a meeting of the Audit and Risk Committee, by invitation.

MEETINGS AND QUORACY

The Audit and Risk Committee shall meet at least twice per year.

The minimum number of members to be present for the Audit and Risk Committee to be quorate will be two members, of which one must be an Independent Director.

URGENT BUSINESS

In exceptional circumstances, business outside of the standard meeting schedule will be circulated electronically to all of the members of the Audit and Risk Committee for consideration and approval. Decisions will be approved in such circumstances by a majority of appointed members in writing or by email.

Where an urgent decision is required and it is not practicable to contact all of the members of the Audit and Risk Committee in accordance with paragraph [Error! Reference source not found.](#) above, the Chair shall be empowered to take action on behalf of the Audit and Risk Committee. Such action shall be reported to the Audit and Risk Committee at its next meeting.

TERMS OF REFERENCE

The Audit and Risk Committee is authorised by the Board to:

obtain appropriate external legal and other professional advice in order to fulfil its responsibility to the Board;

investigate on behalf of the Board anything, including but not limited to financial and administrative matters, that threaten or adversely affect the accomplishment of the Company's aims and objectives, its assets, the reliability of all records and information, and its compliance with all relevant laws, regulations, policies and its Articles of Association and Standing Orders.

Under the delegated authority of the Board as referenced at paragraph 0 above, the Audit and Risk Committee shall have the following specific responsibilities:

General

on behalf of the Board, to ensure that there are adequate and effective arrangements in place to provide transparency about value for money for students and will advise the Board of all matters relating to value for money;

to establish for approval by the Board policies and procedures for risk assessment and risk management and to monitor and advise the Board on the effectiveness of those policies and procedures;

to examine reports on special investigations and to advise the Board on any additional or alternative steps to be taken as a result;

to ensure the appropriateness of the Company's IT Infrastructure, systems and security, data quality and regulatory compliance;

to oversee compliance with all legal and regulatory matters including (without limitation):

health and safety;

the protection of personal data; and

consumer protection law;

and to advise the Board on compliance with OfS' regulatory requirements

to receive and consider the Company's Risk Register on a regular basis to assure the Board that risks are monitored through due process and recorded appropriately;

to review, challenge and recommend the Prevent Duty Annual Monitoring Report prior to signature and approval by the Board;

to provide minutes of all Audit and Risk Committee meetings for consideration at Board meetings;

Office for Students

in preparation for and following registration as an Approved (Fee Cap) provider with the Office for Students, to oversee and report to the Board on compliance by the Company with its initial and ongoing conditions of registration, including (without limitation) monitoring:

financial sustainability and viability;

the appropriateness, adequacy and effectiveness of the Company's management and governance arrangements;

observance of the public interest governance principles; and

the appropriateness, adequacy and effectiveness of the Company's student protection plan.

Internal and External Audit

to recommend to the Board a framework of effective audit coverage, having considered the minimum and optimum level of internal and external audit processes;

to provide assurance to the Board, through regular reports, that the internal financial control systems and arrangements for risk management of the Company are adequate and are functioning properly, to monitor audit reviews and report their outcomes to the Board, together with recommendations for actions arising from them, and to ensure that there is coordination and good working relationships between internal audit, external audit and any other review bodies;

to ensure that regular audits are carried out in the following areas: legal, risk, financial (including statutory annual audits, VAT and PAYE), health & safety, investments and insurance;

to determine the frequency of tendering for external and internal auditing services and to consider tenders for those services and recommend to the Board which firms should carry out the internal audit function and the annual external audit of the Company's statutory accounts and to advise on the terms of appointment, the dismissal, and the acceptance of the resignation of, such auditors;

to scrutinise and advise the Board on the contents of the draft audit report and of any management letter that the external auditors may wish to present to the Board, and to formulate for the Board's use any written representations that may be needed by the auditors in connection with the Company's statutory accounts or any other financial statements;

to discuss with the external auditors any problems or reservations arising from the draft external audit report and draft management letter, reporting relevant issues back to the Board, and advising the Board accordingly;

to review the performance of the Company's internal and external auditors and advise the Board on any changes that ought to be made to their terms of engagement; and

to discuss the resources available to the internal audit function and appropriate reporting requirements to the Audit and Risk Committee.

