CITY COLLEGE NORWICH

AUDIT AND RISK COMMITTEE: TERMS OF REFERENCE

Preamble

In accordance with the College Financial Handbook, the Audit and Risk Committee provides independent assurance to the Corporation that its financial and non-financial controls are operating effectively, playing a critical role in supporting the Corporation's oversight of governance, risk management, and internal control.

The Committee oversees the College's internal review programme, monitors the implementation of audit recommendations, and ensures that risks are appropriately identified and mitigated. The Committee advises on the appointment, reappointment, dismissal, and remuneration of auditors and other assurance providers, and ensures their independence and objectivity.

The Committee is responsible for overseeing counter-fraud measures, including policies and procedures related to fraud, irregularity, impropriety, and whistleblowing. It ensures that investigations are properly conducted and reported, and that significant cases are escalated to the Department for Education (DfE) and other relevant authorities.

The Committee reports annually to the Corporation and the DfE on its activities and supports the Corporation in demonstrating compliance with statutory and regulatory responsibilities in the College's annual accounts.

Key reference documents:

- The College Financial Handbook (updated 23 July 2025)
- DfE Guidance – The scope of the work of Audit Committees and Internal Auditors in College Corporations (updated 23 July 2025)
- HM Treasury - Audit and Risk Assurance Committee Handbook (April 2025)
- Financial Reporting Council (FRC) Guidance on Audit Committees (April 2016)
- CUC Higher Education Audit Committees Code of Practice (May 2020)
- HM Treasury - Assurance Frameworks (December 2012)

Chair

The Chair of the Committee will be appointed by the Corporation.

Membership

The Committee shall comprise of at least five members.

Persons who are not members of the Corporation but are deemed to have the skills required to enhance the responsibilities of the Committee may be appointed as Co-opted Members but may not hold the position of Chair. Co-opted Members will count towards the quoracy of the Committee and will be entitled to vote provided that the number of Co-opted Members does not exceed the number of Independent Members within each meeting.

The majority of the Committee must be members of the Corporation.

The Committee must include individuals with an appropriate mix of skills and experience to allow it to discharge its duties effectively. Collectively, members of the Committee should have recent, relevant experience in risk management, finance, and assurance. The Committee may invite the Corporation's advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall not have a vote but shall be entitled to speak at the meeting).

The Committee shall 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.

To safeguard the Committee's independence and objectivity, the following people shall not be eligible to sit on the Committee:

- the Principal (CEO and Accounting Officer)
- Staff members, including Staff Governors
- Student Governors
- those with executive responsibilities at senior level
- the Chair of the Corporation
- the Chair of the Business Committee
- Governors with significant interests in the College

The Principal will normally attend meetings except for any part of a meeting set aside for members of the Committee only.

The quorum for meetings shall be three.

The Director of Governance and Legal or a College employee agreed by the Committee shall act as Clerk to the Committee.

Frequency of meetings

The Committee will normally meet at least once each term. The internal audit service or financial statements auditor may request a meeting of the Committee if they consider it necessary and the Committee will comply with such requests.

Conduct

In conducting its business, the Committee:

- shall not adopt an executive role
- has the right to scrutinise any activity within its terms of reference, which may involve engaging a third party to assist
- has the right to access and scrutinise all the information and explanations it considers necessary, from whatever source, to fulfil its remit
- shall have the right where it is satisfied this is appropriate, to go into confidential session and exclude any or all other participants and observers other than the Director of Governance and Legal and the minute-taker (unless conflicted)
- shall have the opportunity to meet with the Auditors privately (not including the Principal or other members of staff) at the start of every Committee Meeting. The Director

of Governance and Legal and the Governance and Legal Officer may be present for this meeting

Terms of Reference

Audit and Assurance

1. To assess and provide an opinion to the Corporation on the adequacy and effectiveness of the College's systems of assurance arrangements and internal control and its arrangements for risk management, control and framework of governance, assurance over sub-contracting, and control processes for the effective and efficient use of resources, value for money, solvency and the safeguarding of assets.

2. To consider and recommend to the Corporation the appointment, reappointment, dismissal, remuneration and terms of engagement of the External Auditor, Internal Auditor, reporting accountant, and other external assurance providers and establish that all such providers adhere to relevant professional standards and that retendering is carried out at least every five years.

3. To consider and inform the Corporation of all additional services undertaken by the Internal Auditor, the External Auditor, reporting accountant and other assurance providers (where appointed), explaining how independence and objectivity are safeguarded.

4. If the External Auditor resigns or is dismissed before the end of their appointed term, the Committee will send the DfE a copy of the explanation from the auditors or a statement of the reasons for the auditor's dismissal.

5. To assure itself as to the quality of the service provided by the External Auditor and Internal Auditor.

6. To agree the annual Internal Audit plans, and the scope and objectives of the work of the Internal Auditors, the External Auditors and the funding auditor (where appointed).

7. To consider outputs from other assurance activities by third parties including funding audits and investigations.

8. To determine whether the work of the funding auditor (where appointed) should be relied upon for Internal Audit purposes.

9. To ensure effective coordination between the IAS, the funding auditor and the financial statements auditor.

10. To consider and make recommendations to the Corporation on the College's audit strategy.

11. To review and consider the reports and formal letters from the External Auditor, reporting accountant, Internal Auditor (including the Head of Internal Audit Report) and other assurance providers (as applicable, to include funding audits and investigations), and the control issues included in them, and the management responses to these, and then monitor the implementation of recommendations to agreed timescales, reporting to the Corporation accordingly.

12. To produce an annual report for the Corporation Board and Accounting Officer for submission to the board before the statement of corporate governance and internal control in the annual accounts is signed. The report will include:

- a summary of the work undertaken by the Committee during the financial year
- the number of the meetings held in the year, and attendance records for each Audit and Risk Committee member
- any significant issues arising up to the date of preparation of the report
- any significant matters of internal control included in the reports of audit and assurance providers
- details of the date of appointment of the External Auditors and the remaining term of the contract
- the Committee's view of its own effectiveness and how it has fulfilled its terms of reference
- the Committee's opinion on the adequacy and effectiveness of the Corporation's assurance arrangements, assurance over subcontracting, framework of governance, risk management and control processes for the effective and efficient use of resources, value for money, solvency, and the safeguarding of assets

The Committee will advise and support the Corporation to explain how the Corporation has fulfilled its statutory and regulatory obligations.

The Committee shall provide a statement based on this report, and where appropriate, internal review work, for submission to the DfE with the financial statements.

13. To review and recommend the annual financial statements to the Governing Body for approval, to include consideration of the External Auditors' management letter and management responses to it.

14. To consider and advise the Corporation on relevant reports by the National Audit Office (NAO), the current Funding Agency or their successors and other funding bodies, and where appropriate management's response to these.

15. To annually review the effectiveness of the Committee and how it has fulfilled its terms of reference.

Fraud, irregularly, impropriety and whistleblowing

16. To consider and approve the Corporation's policies on and processes around fraud, irregularity, impropriety and whistleblowing.

17. To monitor the operation of the Corporation's policies on and processes around fraud, irregularity, impropriety and whistleblowing, and ensure:

17.1 that fraud risks have been identified and controls put in place to mitigate them
17.2 the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity
17.3 that the External Auditor (and Internal Auditor, if applicable) is informed of matters of fraud, irregularity and impropriety
17.4 that all significant cases of fraud or suspected fraud, theft, bribery, corruption, irregularity, cybercrime, major weakness or breakdown in the accounting or other control framework are reported to DFE, and other relevant funding authorities, as soon as possible (actual or suspected cases of significant fraud,

including cybercrime, are to be reported to the DfE via the 'allegations' mailbox - allegations.mailbox@education.gov.uk)

17.5 that procedures are in place for investigation outcomes to be reported to the Audit and Risk Committee and that investigation outcomes are reported to the External Auditor and Internal Auditor (if applicable)

17.6 that appropriate follow-up action has been planned and is actioned

18. To receive a report on fraud and irregularity risks and/or allegations, and to advise the Corporation on any such risks and/or allegations.

19. To review and monitor the expenses claims of the Senior Post Holder(s) and report any concerns to the Corporation.

20. To consider annually the conflicts of interest and loyalties register and any new conflicts as they arise and to review and approve the Conflicts of Interest Policy.

21. To follow the fraud guidance included within the latest College Financial Handbook.

Risk Management

22. To review and make recommendations in relation to the approval of the College's risk strategy and policy.

23. To continually review the Risk Register and ensure that risks are being properly identified and appropriately addressed, and report to the Corporation when risks may exceed risk appetite.

24. To routinely provide the Corporation with an assessment of strategic risks and their mitigation and the adequacy of the College's risk management framework.

Review	The Committee should periodically undertake a review of its terms of reference and its own effectiveness and recommend any necessary changes to the Governing Body.
Reporting to	Corporation Board
Approved by the Board	22 March 2005, 2 July 2024, 21 October 2025
Amended	18 March 2008, 19 October 2010, 13 December 2011, 11 December 2012, 9 July 2013, 7 October 2014, 22 March 2016, 11 June 2019, 15 October 2019, 5 July 2022, 13 December 2022, 22 October 2024, 23 September 2025