



PLUMPTON

COLLEGE

AUDIT AND RISK COMMITTEE TERMS OF REFERENCE

Date Approved by Corporation: 30th September 2025

1. Role/Purpose

- 1.1. To provide independent assurance to the board that its financial and non-financial controls are operating effectively.
- 1.2. To advise Corporation on risks of [insolvency](#), safeguarding of charitable assets, and the effective and efficient use of resources
- 1.3. To oversee policies and processes about fraud, irregularity, impropriety and whistleblowing
- 1.4. To advise on the appointment of auditors and monitoring the implementation of audit report recommendations
- 1.5. ensure that the corporation's risk identification, measurement and management processes are operating efficiently.

2. Membership

- 2.1. The audit committee must have a minimum membership of 3, a majority of whom must be independent governors, and must not include the Chair of the Corporation, Principal, Staff or Student governors or any governor with significant interests in the college. Corporation may co-opt a non-governor to be a member of the Committee
- 2.2. Members of the Senior Management Team and College Management Team may attend meetings, at the invitation of the committee, to provide information and participate in discussions.
- 2.3. 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 risk management, finance, and assurance. The abilities of the membership of the audit committee should reflect the needs of the college and should extend to expertise in all relevant financial and non-financial areas.
- 2.4. The Chair of the committee will be appointed by the Corporation.

3. Responsibilities/Duties

3.1. Oversee the internal control environment

- Advise Corporation on the adequacy and effectiveness of the college's assurance framework.
- Play a robust role in good stewardship and risk management and refer to the [scope of work of audit committees and internal auditors in college corporations](#).
- Oversee the college's programme of internal review.
- Ensure that all recommendations arising both from the programme of internal review or assurance reports are followed up effectively.
- Consider and *recommend to Corporation* an annual internal audit plan for the internal auditor

- Ensure that risks are being addressed appropriately.
- *Provide independent assurance to Corporation* that its internal control framework (financial and non-financial controls), framework of governance (including statutory and regulatory requirements such as the finance handbook, Managing Public Money and statutory returns to DfE), and risk management procedures, are operating effectively for the effective and efficient use of resources, solvency and the safeguarding of assets.
- Oversee data breaches, General Data Protection Regulations issues and health and safety incidents

3.2. Oversee external audit

- *Advise Corporation* on the appointment, reappointment, dismissal and remuneration of the external auditor and reporting accountant, internal auditor (as applicable) and other assurance providers (as applicable).
- *Inform Corporation* of any additional services provided by the external auditor, reporting accountant, internal audit (as applicable) and other assurance providers (as applicable) and explain how independence and objectivity are safeguarded.
- Agree each year with the external auditor the scope and arrangements for the external audit.
- Review and consider the reports of the external auditor, reporting accountant, internal audit (as applicable) and other assurance providers (as applicable), and monitor the implementation of recommendations to agreed timescales.
- Review the college's regularity audit self-assessment questionnaire
- Where auditors have resigned, other than at the end of their agreed term, the audit committee must copy to DfE an explanation from the auditors. Where the corporation elects to remove the auditors, the audit committee must notify DfE of these reasons.
- The audit committee must ensure that there is a regular retendering of the external audit at least every 5 years (although this does not necessarily require a different firm of auditors to be appointed).

3.3. Oversight of counter-fraud measures

Oversee the college's policies on and processes around fraud, irregularity, impropriety and whistleblowing, and ensure:

- the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity
- investigation outcomes are reported to the audit committee
- the external auditor (and internal auditor if applicable) is informed of investigation outcomes and other matters of fraud, irregularity and impropriety, and that appropriate follow-up action has been planned and actioned
- 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
- risks around fraud have been identified and controls put in place to mitigate them
- any actual or suspected cases of significant fraud, including cybercrime, to is reported to DfE at allegations.mailbox@education.gov.uk.

3.4. Risk Management

The audit committee should ensure that the corporation's risk identification, measurement and management processes are operating efficiently.

Ensure the college is operating in line with the Strategic Risk Appetite.
Review and monitor Business Continuity policy and procedures.

3.5. Value for money (VFM)

The audit committee should provide an opinion on the corporation's arrangements securing VFM, which should be included in its annual report.

The aim of VFM should be the optimal use of resources by the corporation, and in assessing it, the audit committee needs to examine its three elements:

- economy: minimising the cost of resources used or required (inputs) – spending less
- efficiency: the relationship between the output from goods or services and the resources to produce them – spending well
- effectiveness: the relationship between the intended and actual results of public spending (outcomes) – spending wisely

3.6. Health and Safety

To receive and scrutinise reports regarding accidents, incidents, compliance issues and any other significant activities.

3.7. Audit committee annual report

The committee must produce an annual report for the board and accounting officer, summarising the committee's activities relating to the financial year under review, including:

- a summary of the work undertaken by the committee during the year
- the number of the meetings held in the year, and attendance records for each audit 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 college's assurance arrangements, assurance over subcontracting, framework of governance, risk management and control processes for the effective and efficient use of resources, solvency, and the safeguarding of assets

3.8. Training

Consider the development of members and arrange appropriate training to ensure their skills and knowledge are up to date. Where the audit committee identifies a gap in its existing skillset, training and development should be provided to address this in the first instance.

3.9. Policies

To review relevant policies and make a recommendation to Corporation regarding approval as per the policy schedule

4. Conduct of Business

4.1. Quorum

Quorum shall be three members, two of whom, including the Chair, shall be governors.

4.2. Meeting frequency

- The audit committee should meet at least 3 times a year. Where 3 meetings are not held, an explanation (such as when it was not possible to achieve a quorum) must be provided within the audit committee's annual report.
- Additional special meetings may be called as necessary in agreement with the Chair.
- The Committee may conduct business by correspondence where it judges it appropriate to do so for the better discharge of its responsibilities. Such decisions shall be formally recorded in the minutes of the Committee's following meeting.

4.3. Authority

- The Committee is authorised by the Corporation to review any activity within its terms of reference. It is authorised to seek any information it requires from any employee of the College and all employees of the College are directed to co-operate with any request made by the Committee.
- The Committee is authorised by the Corporation to obtain legal or other independent professional advice (e.g. independent external farm business consultants) and to secure the attendance of outsiders with the relevant experience and expertise if it considers this necessary, provided that the Committee may not incur direct expenditure in this respect in excess of £1,000 without the prior approval of the Corporation.
- The Committee shall not act in an executive role.

4.4. Clerking arrangements

The Governance Professional shall be Clerk to the Committee

4.5. Reporting

- The Governance Professional shall circulate the minutes of the meetings of the Committee to all members of the Committee and thereafter to all Corporation Members.
- The Committee Chair shall provide a summary of the meeting to Corporation, highlighting any areas of risk or concern.
- In accordance with the college accounts direction, the committee must produce (and provide DfE with) an annual report on its activities.
- The Committee must advise and support the corporation in explaining, in its annual accounts, the measures taken to ensure it has fulfilled its statutory and regulatory responsibilities.

For reference

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

[College financial handbook](#)

[FE and sixth-form college corporations: governance guide](#)

[Framework for auditors and reporting accountants of colleges](#)