BOARD OF DIRECTORS 2026/27

Audit, Risk and Assurance Committee
Terms of Reference

The Committee's work is focussed on Marjon 2030 Strategy and its success measures (below)

CUC HE Code of Governance 2026 mapping of 'MUST' requirements			
Code Section	Location in Code	Provision	'MUST' Requirement
2. Culture and Behaviours	Culture	O14	The Board must ensure the Institution operates effective processes for managing complaints and investigating disclosures under whistleblowing legislation.
3. Strategy, Sustainability,	Strategy	O1	The Board must ensure that the development of the Institutional strategy is underpinned by robust identification and assessment of risk

Risk and Assurance			and opportunity. *(Applies to all Committees, except RemCom)*
3. Strategy, Sustainability, Risk and Assurance	Strategy	O2	The Board must collaborate with the Executive in setting the Institutional strategy from an early stage. *(Applies to all Committees, except RemCom, with ELT)*
3. Strategy, Sustainability, Risk and Assurance	Strategy	O3	The Board must satisfy itself that the Institution has the capability, capacity and culture required to deliver the agreed strategy within its defined risk appetite *(with CCC, RemCom).*
3. Strategy, Sustainability, Risk and Assurance	Risk Appetite	O6	The Board must determine and regularly review the Institution's risk appetite, ensuring it is clearly articulated, understood and applied consistently across the organisation.
3. Strategy, Sustainability, Risk and Assurance	Risk Appetite	O7	The Board must approve and oversee a comprehensive risk management and internal control framework aligned to the Institution's strategy, operating model and regulatory environment.
3. Strategy, Sustainability, Risk and Assurance	Risk Appetite	O11	The Board must devote sufficient time and attention to the oversight of risks to the Institution's short-, medium- and long-term sustainability.
3. Strategy, Sustainability, Risk and Assurance	Assurance Arrangements	O12	The Board must be clear about how it obtains assurance over the effectiveness of risk management, internal controls, financial stewardship, regulatory compliance and academic governance.
3. Strategy, Sustainability, Risk and Assurance	Assurance Arrangements	O13	The Board must review the adequacy and coherence of its assurance framework when there have been material changes in the Institution's risk environment.
5. Academic Governance	Academic Governance and Assurance Framework	O3	The Board must ensure the Institution has policies which uphold and protect academic freedom and lawful freedom of expression, with assurance provided to the Board on their operation and risks.

1. Constitution

1.1 The Board of Directors (BoD) has established an audit committee (Article[1] 27.3) known as the Audit, Risk and Assurance Committee (ARAC).

2. Purpose and Scope

2.1 **Purpose**: ARAC supports BoD by providing independent oversight and assurance in relation to the adequacy and effectiveness of the University's risk management, internal control, governance, and assurance arrangements. ARAC makes a strategic contribution via its: insight on emerging risks; challenge to management assumptions; oversight of assurance gaps and duplication.

ARAC enables BoD to satisfy itself that appropriate systems and processes are in place to support institutional sustainability, regulatory compliance and accountability, while recognising that collective responsibility for risk appetite, control and governance remains with BoD.

2.2 **Scope**: Within authority delegated by BoD, and subject at all times to the University's Articles of Association, ARAC's scope includes:

- oversight of the University's risk management framework;
- supporting the Board with regard to determining and regularly reviewing the University's risk appetite, ensuring it is clearly articulated, understood and applied consistently across the organisation;
- review of the adequacy and effectiveness of internal control and governance arrangements, including financial controls and value-for-money arrangements;
- oversight of the University's assurance framework, including the reliability, independence and coherence of sources of assurance relied upon by BoD;
- oversight of internal audit, including approval of the internal audit plan, consideration of audit reports and monitoring of management responses;
- oversight of external audit and financial reporting, including review of the annual financial statements, significant accounting judgements and auditor reports;
- review of arrangements for regulatory, statutory and funding compliance, including the quality and integrity of data submitted to external bodies;
- oversight of arrangements for preventing and detecting fraud, corruption and irregularity, and for managing whistleblowing and significant concerns.

[1] The University's Articles of Association – published on the website here.

In discharging its role, the Committee supports BoD in operating effective governance, risk management and internal control arrangements in accordance with the University's governing documents, the Office for Students' conditions of registration and the CUC HE Audit Committees' Code of Practice.

3. Membership and Quorum

3.1 Members are nominated by the Governance, Strategy and Foresight (GSAF) Committee, approved by BoD and include:

- No fewer than three Directors, or Associate Directors, the majority to be nominated[2] Governors.

In attendance:

- The Vice-Chancellor is not a member of this Committee but may attend, except for Reserved Business (No Staff)
- Executive Leadership Team (ELT) members, as required
- Governance Services Manager (responsible for servicing the Committee)
- Representative of the Internal Auditors
- Representative of the External Auditors

3.2 The Committee's Chair shall be a Director and appointed by BoD on the recommendation of the GSAF Committee.

3.3 At least one member should have recent and relevant experience in finance, accounting or auditing. The Committee may, if it considers it necessary or desirable, recommend the appointment of members with particular expertise (via the GSAF Committee and then with BoD approval). However, in line with Article 27.8, the majority of members must be Directors.

3.4 Under Office for Students (OfS) rules, Committee of University Chairs (CUC) guidance and pursuant to Article 27.5, members of FRIC may not be members of the Audit, Risk and Assurance Committee (ARAC) and vice versa.

3.5 An Elected Director may be a member of the Committee, or may attend meetings (without being a member) at the invitation of the Committee Chair (Article 27.4).

[2] Article 16.1.3 defines these as Directly Appointed, Bishop Nominated or National Society

3.6 The Chair of BoD must not be a member of the Committee. Members should not have significant interests in the institution.

3.7 At least once a year the Committee should meet with the External and Internal Auditors without any staff present (except for the Governance Services Manager).

3.8 A quorum exists when no fewer than three members are present, to include the Committee Chair or Deputy. The majority must be nominated Directors.

4. Frequency of meetings

4.1 Meetings shall normally be held three times per year. The External or Internal Auditors may request a meeting if they consider it necessary.

5. Authority

5.1 The Committee is authorised by BoD to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee, and all employees are directed to co-operate with any request made by the Committee.

5.2. The Committee is authorised by BoD to obtain outside legal or other independent professional advice and to secure the attendance of advisors if it considers this necessary, normally in consultation with the Vice-Chancellor and/or Chair of BoD in line with Financial Regulations (FinRegs).

5.3. ARAC will review the audit aspects of the draft annual financial statements. These aspects will include the external audit opinion, the statement of Directors' responsibilities, the statement of internal control and any relevant issue raised in the External Auditors' management letter. The Committee should, where appropriate, confirm with the Internal and External Auditors that the effectiveness of the internal control system has been reviewed, and comment on this in its annual report to BoD.

6. Duties

6.1 To advise BoD on the appointment of the External Auditors, the audit fee, the provision of any non-audit services by the External Auditors and any questions of resignation or dismissal of the External Auditors;

6.2 To discuss if necessary with the External Auditors, before the audit begins, the nature and scope of the audit;

6.3 To discuss with the External Auditors problems and reservations arising from the interim and final audits, including a review of the management letter incorporating management responses, and any other matters the External Auditors may wish to discuss (in the absence of University management where necessary);

6.4 To consider and advise BoD on the appointment and terms of engagement of the Internal Auditors, the audit fee, the provision of any non-audit services by the Internal Auditors and any questions of resignation or dismissal of the Internal Auditors;

6.5 To approve the annual audit plan of the Internal Auditors;

6.6 To review the Internal Auditors' audit risk assessment and strategy; to consider major findings of internal audit investigations and management's response; and to promote co-ordination between the Internal and External Auditors. The Committee will ensure that the resources made available for internal audit are sufficient to meet the institution's needs (or make a recommendation to BoD as appropriate);

6.7 To keep under review the effectiveness of the risk management, control and governance arrangements, and in particular to review the External Auditors' management letter, the Internal Auditors' annual report, and management responses;

6.8 To monitor the implementation of agreed audit-based recommendations, from whatever source;

6.9 To ensure that all significant losses have been properly investigated and that the Internal and External Auditors, and where appropriate the regulator have been informed;

6.10 To oversee the institution's policies related to ethical and other behaviours, including whistleblowing, anti-bribery, material adverse or reportable events, fraud and irregularity etc., including being notified of any action taken under these policies;

6.11 To satisfy itself that suitable arrangements are in place to promote economy, efficiency and effectiveness.

6.12 To satisfy itself that effective arrangements are in place to ensure appropriate and accurate data returns are made to external stakeholders and regulatory bodies;

6.13 To receive any relevant reports from the National Audit Office, the regulator and other organisations;

6.14 To monitor annually the performance and effectiveness of External and Internal Auditors, including any matters affecting their objectivity, and to make recommendations to BoD concerning their reappointment, where appropriate;

6.15 To monitor other relevant sources of assurance, for example other external reviews;

6.16 To consider elements of the annual financial statements in the presence of the External Auditors, including the External Auditors' formal opinion, the statement of members' responsibilities and the statement of internal control, in accordance with the regulator's accounts directions;

6.17 In the event of the merger or dissolution of the institution, to ensure that the necessary actions are completed, including arranging for a final set of financial statements to be completed and signed;

6.18 To provide assurance that decisions which might have significant reputational or financial risks undergo a rigorous process of due diligence;

6.19 To provide assurance that appropriate policies and procedures are consistently applied, and that there is compliance with relevant legislation, including an opinion to this effect within the annual ARAC Report to BoD;

6.20 To provide assurance that whistleblowing is effectively managed, for example by getting an annual report on numbers and outcomes of any whistleblowing; including the extent to which the associated protocols are widely known within the Institution;

6.21 To discuss with Internal Auditors how the institution compares with other organisations in areas undergoing audit. Benchmark institutional policies and practice against sector practice and external requirements;

6.22 To ensure appropriate insurance arrangements are in place for the University.

7. Reporting procedures

7.1 The minutes of meetings of the Committee will be circulated to BoD.

7.2 The Committee will prepare an annual report for the institution's financial year and any significant issues up to the date of preparing the report. The report will be addressed to BoD and the Vice-Chancellor, summarising the activity for the year. It will give the Committee's opinion on the adequacy and effectiveness of the institution's arrangements for the following:

- Risk management, control and governance (the risk management element includes the accuracy of the statement of internal control included in the annual statement of accounts); and
- Processes for promoting value for money through sustainability economy, efficiency and effectiveness.

7.3 This opinion should be based upon the information presented to the Committee. The ARAC annual report should normally be submitted to BoD before the Directors' responsibility statement in the annual financial statements is signed.

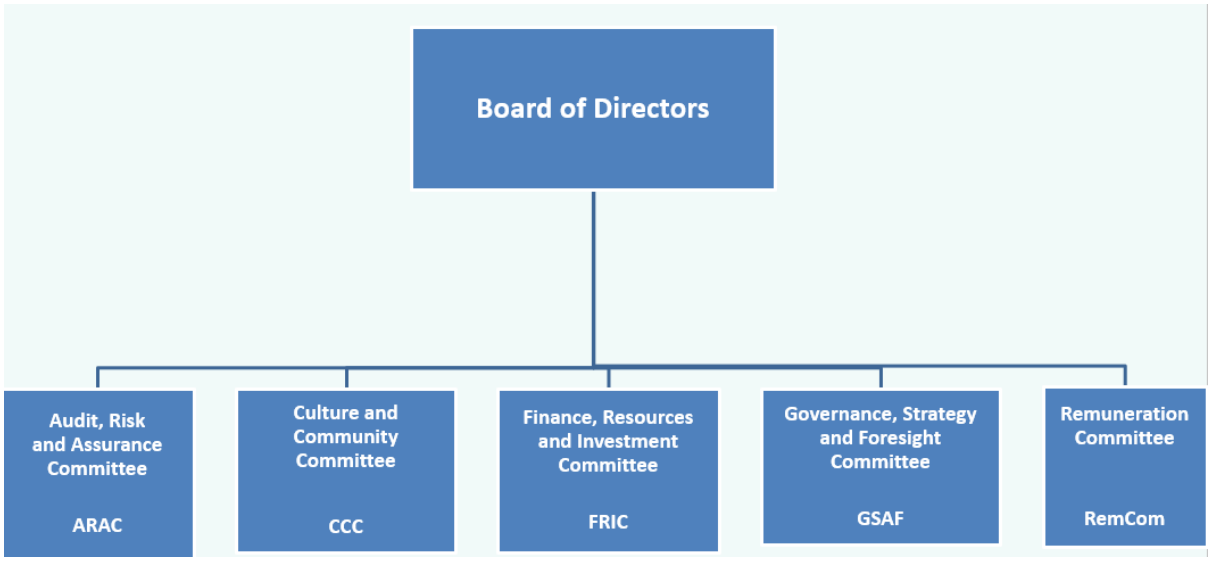
8. Clerking arrangements

8.1 The clerk to ARAC will be the Governance Services Manager (or another appropriate independent individual).

9. Review

9.1 ARAC should periodically (and at a minimum of every four years) undertake a review of its terms of reference and its own effectiveness and recommend any necessary changes to BoD.

Annex A



Annex B

Vice-Chancellor and Chief Executive Officer **Claire Taylor** Owns Vision, Mission and Values Safeguards the objects of the Company, as defined in the Articles of Association Ensures regulatory requirements are met as Accountable Officer		
Chief Academic Officer **Simon Stewart** **CAO** Owns academic strategy, quality, standards, curriculum, RKE and student success. Ensures academic requirements, risks and opportunities shape strategic and transformation decisions. Provides leadership on academic workforce, pedagogical innovation, and long-term academic positioning.	**Chief Finance and Operating Officer** **Karl Smith** **CFOO** Owns financial sustainability, operational performance, workforce and risk. Ensures affordability, capacity and operational readiness for change. Safeguards institutional resilience, business compliance, and value for money.	**Chief Strategy and Performance Officer** **Ann Holman** **CSPO** Owns strategy, transformation, brand, communications and performance insight. Orchestrates sequencing of change and alignment across strategic portfolio. Ensures digital, data and technology requirements are integrated into institutional priorities.
Shared ownership and accountability across the Executive Leadership Team for delivering Marjon Connect		
• The annual and multi-year planning cycle • Investment decisions/trade-offs across academic, operational and strategic domains • Capacity management across academic and professional services • Delivery assurance for organisation wide programmes • Alignment of digital investment with academic priorities and operational feasibility • Stewardship of Marjon performance and reputation		

Annex C

Operations Board Mapping - Key Connections between Board Committees and Ops Board (and Steering Groups)	
Operations Board	*Insert link to ToR and structure chart*
Steering Groups:	
Data & AI Governance	**ARAC**; FRIC; GSAF
Risk, Compliance & Continuity -Critical Incident Management Team	**ARAC;** CCC; GSAF
EDI	CCC
Access & Participation -Mental Health & Wellbeing Working Group	CCC
Student Experience	CCC; GSAF

Annex D

Senate Mapping - Key Connections between Board Committees and Senate (and Academic Committees)	
Senate	Click to view: ToR and Structure Chart
Academic Committees (reporting via Senate):	
Academic Strategy, Planning and Partnerships Committee (ASPPC) - Strategic Partnerships Board (SPB) - Academic Partnerships Committee (APC)	**ARAC**; CCC (in terms of course viability and staff); FRIC; GSAF
Teaching, Learning and Academic Quality Committee (TLAQC) - Programme Voice Panels - Regulations and Process Review Committee	**ARAC**; CCC (in terms of student experience and satisfaction)
Honorary Nominations Review Panel	CCC (in terms of Hon Grads)
Research and Knowledge Exchange Committee (RKEC) - Research Ethics Committee - Research Degrees Scrutiny Committee	**ARAC** (in terms of governance of research activity) FRIC (in terms of research income) GSAF CCC (in terms of student feedback)

Annex E

Policy Mapping – policies which ARAC is responsible for reviewing
Business Continuity
Counter-Fraud and Anti-Corruption
Cyber Security and Threat Management
Prevent
Reportable Events
Risk Management
Whistleblowing

Annex F

Key Metrics / Performance Measures relating to this Committee	
•	Unqualified External Audit
•	Complete and unqualified set of financial statements in accordance with statutory deadlines
•	Good internal audit assurance report
•	Confirmation of comprehensive risk management and internal control framework aligned to the Institution's strategy, operating model and regulatory environment (Code)
•	Review of adequacy and coherence of its assurance framework when there have been material changes in the Institution's risk environment (Code)
•	Confirmation of alignment with CUC HE Audit Committees Code of Practice
•	Receipt of annual whistleblowing report (Code)
•	Regular review of risk appetite (Code)
•	Assurance over operation and risks regarding policies which uphold and protect academic freedom and lawful freedom of expression (Code)