

# Central Film School

2026-27

Central Film School

## Audit, Risk and Compliance Committee Terms of Reference

### Section A - Purpose and Structure

#### 1. Description

- 1.1. The Board of Directors has established a standing committee to be known as the Audit, Risk, and Compliance Committee (ARCC).
- 1.2. The primary purpose of the Committee is to provide oversight, assurance, and advice to the Board of Directors and the Accountable Officer (CEO) on the adequacy and effectiveness of the School's arrangements for:
  - Risk management, mitigations and controls..
  - Economy, efficiency, and effectiveness (Value for Money - VfM).
  - The management and quality assurance of returns submitted to regulatory bodies (including statutory returns).
  - Assurance on statutory and regulatory compliance, including the Office for Students Conditions of Registration, and the principles of a Code of Governance.
  - External and internal audit reports, including assurance with regard to Central Film School as a 'going concern' and the annual financial statement.
- 1.3. The Committee is authorised by the Board of Directors to:
  - Investigate any activity within its Terms of Reference.
  - Seek any information it requires from the School.

- Recommend external legal or other independent professional advice at the School's expense pending approval of the Board.
- Recommend the appointment, fees, and termination of an Internal Audit service provider to the Board.
- Recommend the appointment and fees of the External Auditors to the Board.

## 2. Membership

- 2.1. The Committee shall be appointed by the Board of Directors and shall consist of a minimum of three, and a maximum of five, independent, non-executive members.
- **Committee Chair** - A non-executive member of the Board of Directors. This should not be the Chair of the Board of Directors or the Accountable Officer.
  - **Members** - At least one member must have recent and relevant financial, audit, or risk management experience, ideally holding a recognised professional accounting qualification.
  - **Co-opted Members** - The Board of Directors may appoint external, independent co-opted members to patch specific skills gaps (e.g., cyber security, higher education compliance).
- 2.2. To maintain strict objectivity and avoid conflicts of interest, the following individuals are explicitly **excluded** from membership:
- The Chair of the Board of Directors.
  - Accountable Officer/Chief Executive Officer
  - Any executive staff or employees of the School.
  - Members of a Board level Finance Committee (to prevent an overlap between financial cross-examination and performance setting), unless explicitly permitted by the Board of Directors with documented safeguards.
- 2.3. The following individuals shall normally attend meetings in an advisory, non-voting capacity:
- Senior Operations Manager
  - The Secretary to the Board of Directors
  - The Head of Internal Audit (or equivalent external provider representative).
  - The External Audit Engagement Partner
- 2.4. At least once a year, the Committee shall meet privately with the Internal and External Auditors without any members of School management present.

### **3. Reporting Structure**

- 3.1. The minutes of all Committee meetings shall be circulated to the Board of Directors.
- 3.2. The Committee Chair shall provide a brief report to the Board of Directors following each meeting highlighting any key items of consideration by the Committee .
- 3.3. The Committee shall prepare an Annual Report addressed to the Board of Directors and the Accountable Officer before the annual financial statements are signed. This report will summarise the Committee's activity, offer conclusions on the School's control environment, and explicitly state its opinion on the adequacy of the School's risk management and compliance frameworks.

### **4. Meetings**

- 4.1. A quorum shall be two independent members.
- 4.2. The Committee shall meet at least three times a year, timed to align with the School's compliance and financial reporting and audit cycles.
- 4.3. Extraordinary meetings may be convened at the request of the Committee Chair, the Internal/External Auditors, or the Accountable Officer.
- 4.4. Approve at its first meeting of the academic year a schedule of business for the year.

## **Section B - Responsibilities**

### **5. Internal Audit**

- 5.1. Review and approve a risk-based Internal Audit Annual Plan, ensuring adequacy of resource and alignment with institutional and sector risks.
- 5.2. Consider the findings of all internal audit reports and management's responses/action plans.
- 5.3. Monitor the implementation of agreed internal audit recommendations.
- 5.4. Review the opinion on the School's control framework.
- 5.5. Evaluate the performance, independence, and effectiveness of the internal audit service provider annually (where applicable).

### **6. External Audit and Financial Reporting**

- 6.1. Review the External Audit Strategy and Plan, including the approach to key financial risks.
- 6.2. Review the Annual Financial Statements and the External Auditor's Management Letter, paying particular attention to changes in

accounting policies, major judgmental areas, and significant audit adjustments.

- 6.3. Assess the independence, objectivity, and effectiveness of the External Auditor, including overseeing policies on the use of external auditors for non-audit services.

## **7. Risk Management and Internal Control**

- 7.1. Review the School's Risk Management Framework and policy to ensure robust identification, assessment, and mitigation of strategic and operational risks.
- 7.2. Regularly review the Strategic Risk Register and challenge the efficacy of mitigating controls.
- 7.3. Recommend the Risk Register to be presented to the Board of Directors for final approval.
- 7.4. Assess the adequacy of institutional responses to catastrophic or systemic risks (e.g., cyber-attacks, student recruitment failure, financial insolvency).

## **8. Regulatory Compliance and Data Assurance**

- 8.1. Monitor compliance with the Office for Students (OfS) ongoing conditions of registration and mandatory reporting deadlines.
- 8.2. Ensure alignment with the principles of an agreed Code of Governance, specifically verifying that governance structures remain proportionate, transparent, and accountable.
- 8.3. Review the adequacy of processes ensuring data integrity, particularly for data returns submitted to external bodies (e.g., HESA, OfS, SLC).
- 8.4. Oversee compliance with statutory legislation including, but not limited to:
  - GDPR/Data Protection
  - Freedom of Speech
  - Prevent Duty
  - Consumer Markets Authority (CMA) guidance
  - Health & Safety.

## **9. Value for Money (VfM)**

- 9.1. Assess the adequacy of the School's arrangements for achieving economy, efficiency, and effectiveness in its operations.

## **10. Fraud, Irregularities, and Whistleblowing**

- 10.1. Review the School's policies and procedures regarding Fraud Prevention, Anti-Bribery and Corruption, and Public Interest Disclosure (Whistleblowing).
- 10.2. Receive reports on any significant incidents of fraud, financial irregularity, or whistleblowing investigations, ensuring appropriate remedial actions are taken.

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