

Audit, Risk Management and Remuneration Committee (ARMRC)

Purpose

The Articles of Association of Nelson College London Ltd empower the Board of Directors (BoD) to establish an Audit Committee. The BoD have expanded the role and name of the Audit Committee to 'Audit, Risk Management and Remuneration Committee' (ARMRC). Its purpose is to provide oversight and assurance to the BoD on risk management, audit, financial sustainability, and senior staff remuneration, by ensuring the College's compliance, accountability, and long-term viability.

Terms of Reference

1. Provide assurance to the BoD on the effectiveness of the external auditors through oversight of the scope, nature and conduct of external audit.
2. Advise the BoD on the appointment of the external auditors when a new auditor is required.
3. Provide assurance to the BoD on the College's financial sustainability through review of the annual report and financial statements, including the external auditor's opinion, the statement of members' responsibilities, the statement of internal control and any significant control issues.
4. Review and recommend to the BoD the College's 'Value of Money' Statement.
5. Provide assurance to the BoD on the adequacy and effectiveness of the College's internal control environment, including commissioning proportionate internal assurance work where necessary in the absence of an internal audit function.
6. Provide assurance that the College operates effective corporate risk management by reviewing and advising the BoD on the adequacy of risk management processes.
7. Review the Corporate, Academic and Prevent Risk Registers and undertake detailed scrutiny of the College's most significant corporate risks, advising the BoD on potential impacts on financial health, reputation, operations, and regulatory compliance.
8. Assures the BoD that the arrangements for the remuneration of senior staff are consistent with regulatory requirements and good governance practice.
9. Review and recommend to the BoD the Anti Bribery and Corruption, Data Protection and Whistleblowing policies, and monitor their application, including any breaches.
10. Keep its own terms of reference under review recommending changes to the BoD for approval.

11. Ensure appropriate co-ordination of assurance activity with the Board of Governance to avoid duplication and ensure comprehensive coverage of risk.

Composition:

The ARMRC will comprise at least three external members, appointed by the BoD, one of whom must be a member of the Board of Governance who will act as the Chair and one of whom must have recent and relevant financial or accounting experience.

In attendance:

The Chair of the Board of Directors/ Director/ Head of Quality Assurance
The College Principal
The Head of Data Management and Compliance
Other senior officers of the College may attend at the discretion of the Chair.

Quorum:

The quorum for meetings may be fixed from time to time by a decision of the directors but must never be less than two independent members.

Notes

1. *The ARMRC shall have the power to commission work to seek assurance that the College operates openly, honestly, accountably and with integrity and has the values appropriate to be recognised as an English higher education provider.*
2. *The ARMRC shall have the power to commission work to assess adequacy and effectiveness of the College's arrangements to provide transparency about value for money for students and taxpayers.*
3. *The external members will be appointed initially by the BoD but thereafter in accordance with the appointment process for non-executive external members. Appointments are for a period of 5 years and may be extended for a further term of 5 years. The term of office for members of ARMRC who are members of the Board of Governance will be co-terminous with their BoG term of office. The Board of Directors may remove with 3 months notice an external member who has not attended for two consecutive meetings without having given apologies.*
4. *The ARMRC will be supported by a member of Nelson College London staff designated as the Committee Secretary. This person will be responsible for planning and scheduling meetings; agreeing an agenda with the Chair; ensuring papers are prepared in a timely fashion; taking and agreeing minutes; and for the logistics of the meeting itself.*

Frequency: 3 times annually

Reports to: Board of Directors

ARMRC minutes will be received by the BoD. ARMRC will produce an annual report to the BoD summarising how it has discharged its responsibilities and whether the College's risk management and internal control arrangements are effective.

Appendix – Annual Agenda

Meeting Months: November, March, June/July

Agenda Item	Meeting 1 (November)	Meeting 2 (March)	Meeting 3 (June/July)
Welcome, apologies and declaration of interests.	✓	✓	✓
External Audit Plan (for following financial year ending 31 July)			✓
Annual report and financial statements	✓ (draft)	✓ (final)	
Value for Money Statement		✓	
OfS Annual Financial Return	✓		
Risk Management Policy and Framework.			✓
Corporate, Academic and Prevent Risk Registers (and any detailed scrutiny of significant corporate risks)	✓	✓	✓
Ethical policies report	✓	✓	✓
Policy review (as required): <ul style="list-style-type: none"> • Anti Bribery and Corruption • Data Protection • Whistleblowing 	✓	✓	✓
Senior Staff Remuneration	✓		
Career Development Opportunities and Pay Structure policy; consider whether it continues to be fit for purpose	✓		
Performance Appraisal policy and procedure every 2 years;	✓		
ARMRC Annual Report			✓
ARMRC terms of reference	✓		

Version Control:

Title	Terms of Reference for the Audit, Risk Management and Remuneration committee (ARMRC)
Version	6.0 April 2026
Approved by	Board of Directors (15/04/2026) (on 23/07/2025); (on 27/07/2022);
Previous Version	5.0 (July 2025); 4.6 (January 2025); 4.5 (July 2022);
Next Review Date	Annually at the first meeting of the committee year