

**Kaplan International Colleges UK Limited (Kaplan International Pathways)**

**Audit & Risk Committee**

**Date of review: February 2026**

**Terms of Reference**

**Constitution**

1. Kaplan International Colleges UK Limited has established a committee known as the Audit & Risk Committee.

**Membership**

2. The Audit & Risk Committee's Chair shall be appointed by the Governing Board of the Company from members of the Board. The majority of members of the Audit & Risk Committee, shall not have executive responsibility for the management of the Company and/or significant interests in the Company.
3. The Chair shall be independent, without executive responsibility for the management of the Company and without any significant interest in the Company or in the Corporate Group of which the Company is a member.
4. A quorum shall be two members, and at least two members should not have executive responsibility for the management of the Company.
5. At least one member shall have recent and relevant experience in finance, accounting or auditing. The Audit & Risk Committee may, if it considers it necessary or desirable, co-opt members with particular expertise.

**Attendance at Meetings**

6. The CFO Kaplan International Pathways, NA Partnerships & Kaplan Open Learning, Financial Controller of Kaplan International Pathways, and the Assistant General Counsel shall attend all meetings. With a representative of the Internal Auditors and a representative of the External Auditors shall normally attend meetings where business relevant to them is to be discussed. The Risk Owners and other members of staff will also attend as appropriate. However at least once a year the Audit & Risk Committee shall have an opportunity to meet with the Internal and External Auditors without any officers present.

**Frequency of Meetings**

7. Meetings shall normally be held at least four times each financial year. Meetings will be hybrid with at least one meeting to be held in person a year. The Internal or External Auditors may request a meeting if they consider it necessary.

**Authority**

8. The Audit & Risk Committee is authorised by the Governing Body 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 cooperate with any request made by the Audit & Risk Committee.

9. The Audit & Risk Committee is authorised by the Company to obtain outside legal or other independent professional advice (aside from internal and external audit) and to secure the attendance of non-members with relevant experience and expertise if it considers this necessary, normally in consultation with the Chairman of the Company's Board/ Governing Body. However, it may not incur direct expenditure in this respect in excess of £10,000 without the prior approval of the Company.
10. The Audit & Risk Committee will review the audit aspects of the draft Annual Financial Statements. These aspects will include the external audit opinion, the statement of members' responsibilities, the statement of internal control and any relevant issue raised in the External Auditors' management letter. The Audit & Risk 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 members of the Company.

#### **Duties**

10. The duties of the Audit & Risk Committee shall be:

#### **Oversight of External Audit**

11. Advise the Company on the appointment, re-appointment, removal and remuneration of the External Auditors, including approval of any non-audit services.
12. Agree the nature and scope of the external audit before the audit begins.
13. Review issues arising during the audit, including the External Auditors' management letter, management responses, and any matters raised in private discussion with the auditors.
14. Consider elements of the Annual Financial Statements in the presence of the External Auditors, including the auditor's opinion, the statement of internal control and the statement of members' responsibilities.
15. Recommend the annual Letter of Representation to the External Auditors.

#### **Oversight of Internal Audit**

16. Advise the Company on the appointment, re-appointment, removal and remuneration of the Internal Auditors, including approval of any non-audit services.
17. Review Internal Audit's risk assessment, strategy, and major findings, including management responses.
18. Ensure Internal Audit has sufficient resources to meet organisational needs.
19. Promote coordination between Internal and External Audit.

#### **Assurance, Internal Control & Risk Management**

20. Review the effectiveness of the risk management, internal control, and governance arrangements.
21. Monitor implementation of audit recommendations from any source.
22. Oversee and review the effectiveness of the assurance map.

23. Ensure all significant cases of fraud, financial impropriety or whistleblowing concerns are properly investigated and reported to the appropriate authorities.
24. Review relevant anti-fraud, anti-corruption and whistleblowing policies and receive updates on any actions taken under these policies.

**Data, Information Governance & Cybersecurity**

25. Satisfy itself that effective arrangements are in place for data quality and the accuracy of statutory and regulatory returns, including those to the OfS.
26. Receive and review the Annual Report on Data Returns.
27. Receive summaries of significant data breaches and cyber security incidents and ensure appropriate mitigations are in place.
28. Receive the annual IT report, including updates on IT risks, cyber security, and major IT projects.

**Health, Safety & Operational Assurance**

29. Receive Health & Safety Committee minutes and relevant reports.
30. Receive an annual update on Health & Safety matters.
31. Receive Business Continuity updates, including planning, testing, and relevant reports.

**Value for Money, Efficiency & Effectiveness**

32. Satisfy itself that arrangements are in place to promote economy, efficiency and effectiveness (value for money), and review the annual Value for Money report.

**Financial Governance & High-Risk Decisions**

33. Ensure that due diligence processes are undertaken for decisions carrying significant financial or reputational risk.
34. Consider matters referred to the Committee under the Company's Gift Acceptance Policy, including the Annual Gift Acceptance Report.

**Other Regulatory and Organisational Duties**

35. Receive reports from the OfS, HESA and other appropriate external bodies.
36. Receive UKVI updates and relevant reports.
37. Oversee required actions in the event of merger or dissolution of the Company, including review of the final financial statements.
38. Integrate consideration of equality, diversity and inclusion in all matters.
39. Ensure sustainability issues are fully considered in the Committee's activities.

### **Committee Effectiveness**

40. Review the effectiveness of the Audit & Risk Committee annually.

### **Reporting Procedures**

41. The minutes (or a report) of meetings of the Audit & Risk Committee will be circulated to the Governing Board of the Company.
42. Meeting papers will be circulated to the Audit & Risk Committee members at least 5 working days before the ARC meeting.
43. The Audit & Risk Committee will prepare an annual report covering the Company's financial year and any significant issues up to the date of preparing the report. The report will be addressed to the Governing Board of the Company and the Accountable Officer, summarising the activity for the year. It will give the Audit & Risk Committee's opinion on the adequacy and effectiveness of the Company's arrangements for the following:
- Risk management, assurance, control and governance (the risk management element includes the accuracy of the statement of internal control included with the annual statement of accounts).
  - Economy, efficiency and effectiveness (value for money).
  - Data Assurance.
44. This opinion should be based on the information presented to the Audit & Risk Committee. The Audit & Risk Committee's Annual Report should normally be submitted to the Directors of the Company before the directors' responsibility in the Annual Financial Statements is signed.

### **Clerking Arrangements**

45. The Clerk to the Audit & Risk Committee will normally be an appropriate independent individual.

Kaplan International Pathways – Audit & Risk Committee – TOR