

## **AUDIT AND RISK COMMITTEE**

### **TERMS OF REFERENCE**

#### **Composition**

The Audit and Risk Committee will consist of at least three Trustees. The Chair of the Committee must not be the Chair of the Board of Trustees or the Chair of the Finance and Operations Committee.

#### **Frequency of Meetings and Proceedings**

The Committee will meet four times each year

- Twice in the autumn term with the second meeting focussing on the post audit report and Financial Statements;
- Once in the spring term;
- Once in the summer term, to include year-end audit planning.

...and at such other times as the Chair of the Committee shall deem to be appropriate.

Unless otherwise agreed by all members of the Committee, notice of meetings and confirmation of the venue, time and date together with an agenda and all relevant papers, should normally be circulated to each member at least five working days prior to the date of the meeting.

The quorum for meetings of the Committee shall be 3 committee members.

#### **Reporting**

The Clerk shall minute the proceedings and resolutions of the Committee. Minutes of Committee meetings shall be circulated promptly to all members of the Committee for approval.

#### **Purpose**

The Committee's role is to advise the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and risk management arrangements, to direct a programme of internal scrutiny and to consider the results and quality of external audit.

It is tasked with reviewing the overall risk profile of the Trust for appropriateness, monitoring the risk management techniques employed at all levels within the Trust and receiving the Auditor's report before Board Approval.

The Committee shall make whatever recommendations to the Board that it deems appropriate within the context of its terms of reference.

#### **Objectives**

The Committee has the following objectives:

##### **1. External Audit**

The Committee will:

- review the external auditor's plan each year
- review the annual report and accounts
- review the auditor's findings and actions taken by the trust's managers in response to those findings

- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering.
- produce an annual report of the Committee's conclusions to advise the Board of Trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

## **2. Internal Scrutiny**

The Committee will:

- direct the Trust's programme of internal scrutiny
  - review the ratings and responses on the risk register to inform the programme of work, ensuring checks are modified as appropriate each year
  - ensure that risks are being addressed appropriately through internal scrutiny
  - agree a programme of work annually to deliver internal scrutiny that provides coverage across the year
  - agree who will perform the work
  - consider reports at each meeting from those carrying out the programme of work
  - consider management's response and action taken in respect of recommendations and progress in addressing recommendations
  - monitor to ensure that there are no unjustified restrictions or limitations on the work being performed
- report to the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.

The Committee's oversight **must**:

- extend to the financial and non-financial controls and risks at constituent academies.
- ensure information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims (for both revenue and capital grants) completed by the trust and by constituent academies, is accurate and in compliance with funding criteria.

## **3. Risk Management**

To review the effectiveness of risk management systems within key areas of Trust operations:

- a) Monitoring the risk profile of the business against the Board's desired risk appetite;
- b) Monitoring the effectiveness and output of the annual risk management process;
- c) Assessment of the overall population of risk within the risk registers, including any changes during the period;
- d) Consideration and challenge of risk prioritisation as provided by the risk owners, including discussion of any discrepancies;
- e) Ensuring that risk management is appropriately embedded within line management and that this process is monitored;
- f) Monitoring the effectiveness of Trust-wide policies;
- g) Receive reports from internal Health and Safety Committees and consider health and safety risk management procedures across the academies.

#### **4. Business Continuity**

To develop and continually monitor the effectiveness of a business continuity plan and to periodically test the underlying assumptions of the plan.

##### **Authority**

The Committee has the authority to conduct or authorise investigations into any matters within its scope of responsibility. It is empowered to:

- a) Investigate any activity within its terms of reference;
  - b) Seek any information that it requires from any employee and all employees are directed to cooperate with any requests made by the Committee;
  - c) Obtain outside legal or independent professional advice and such advisors may attend meetings as necessary.
-