

Audit and Risk Committee Terms of Reference

1. Membership

- 1.1 The committee shall consist of no less than three trustees. Additionally, up to two external co-opted members may also be appointed.
- 1.2 Employees of the trust should not be members.
- 1.3 The Principal is not a member of the committee but should attend meetings in his role as accounting officer. The chief financial officer should also attend to provide information and participate in discussions.
- 1.4 At least one member of the audit and risk committee should have recent or relevant accountancy or audit assurance experience.
- 1.5 Any trustee may attend a meeting of the audit and risk committee, including those who are not members of the committee.

2. Quorum

- 2.1. The Quorum shall be a minimum of two trustees.

3. Meetings

- 3.1. There shall be three meetings per year and otherwise as required.

4. Chairmanship

- 4.1. The chair of the committee shall be elected annually at the last trust board meeting of the Summer term for the next academic year.
- 4.2. The chair of trustees should not be chair or vice chair of the audit and risk committee.

5. Standing Orders

- 5.1. The agenda for the meeting shall be distributed at least seven days before the meeting.
- 5.2. Minutes of meetings will be taken and, once approved in draft by the chair of the audit and risk committee, be uploaded to Teams. Minutes will be approved by the committee at the next meeting, at which point they will become a public record.
- 5.3. Where there is an equality of votes for and against a particular resolution the matter will be referred back to the next full meeting of the governing body.

6. Purpose and Authority

- 6.1. The role of the audit committee is to maintain an oversight of the trust's governance, financial risk management, internal control and value for money framework.
- 6.2. It will report its findings annually to the Trust board and the accounting officer as a critical element of the trust's annual reporting requirements.
- 6.3. The audit and risk committee has no executive powers or operational responsibilities/duties.
- 6.4. The audit and risk committee is authorised to investigate any activity within its terms of reference or specifically delegated to it by the board. It is authorised to request any information it requires from any employee, external audit, internal audit or other assurance provider.
- 6.5. The audit and risk committee is authorised to obtain outside legal or independent professional advice it considers necessary, normally in consultation with the accounting officer and/or chair of the trust board. However, the committee may not incur expenditure in excess of £10,000 in doing so without the prior approval of the trust board.

7. Terms of Reference

7.1. The audit and risk committee will:

- a) Advise the board on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:
 - the auditor's/scrutineer's sector expertise
 - their understanding of the trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level
 - the quality of auditor/scrutineer comments and recommendations in relation to key areas
 - where relevant the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
 - the auditor's/scrutineer's use of technology
- b) Ensure there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant.
- c) Consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
- d) Encourage a culture within the trust whereby each individual feels that he or she has a part to play in guarding the probity of the trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the trust board.
- e) provide minutes of all Audit and Risk Committee meetings for review at board meetings.

7.2 The audit and risk committee's duties in relation to **external audit** are to:

- a) Review the external auditor's plan each year.
- b) Review the annual report and accounts.
- c) Review the auditor's findings and actions taken by the trust's SLT in response to those findings.
- d) Produce an annual report of the committee's conclusions to advise the board of trustees and members.

7.3 The audit and risk committee's duties in relation to **internal scrutiny** are to:

- a) Take delegated responsibility on behalf of the board of trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook.
- b) Conduct a regular review of the risk register.
- c) Agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks.
- d) Advise the trustees on the adequacy and effectiveness of the trust's systems of internal control, governance, and risk management processes.
- e) Consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the board on any additional or alternative steps to be taken.
- f) Oversee the annual review of the trust's risk register.

8. Declaration of Interests

8.1. Where there is a conflict between the interests of any governor and the interests of the governing body, that person must declare the interest and withdraw from the meeting. If there is any dispute as to whether a person must withdraw from a meeting under the regulations on governing body procedures, the other governors present at the meeting will decide on the matter.

Adopted: 18 September 2024

These terms will be reviewed annually and agreed by the trust board.