



## **Audit and Risk Committee Terms of Reference**

### **1. Responsibilities**

- to maintain an oversight of the Academy Trust's financial, governance, risk management and internal control systems
- to report findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the trust's annual reporting requirements.
- To decide upon the future of external and internal auditors i.e. evaluation of performance, tendering for new provider and making recommendations to the Board of Trustees.

### **2. Authority**

- the Audit and Risk Committee is a Committee of the Academy Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
- the Audit and Risk Committee is authorised to
  - request any information it requires from any employee, external audit, internal audit, or other assurance provider.
  - obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

### **3. Composition**

- the membership of the committee will comprise a minimum of 3 trustees.
- employees of the trust should not be audit and risk committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.
- the chair of trustees should not be a member of the audit and risk committee.
- Members of the Audit and Risk committee should not be members of the Finance and General Purposes Committee.
- where the audit and risk committee is combined with another committee, employees should not participate as members when audit matters are discussed.
- until otherwise determined by the board of trustees, a quorum shall consist of 2 members of the committee.
- at least one member of the audit and risk committee should have recent or relevant accountancy, or audit assurance, experience.
- any trustee may attend a meeting of the audit and risk committee, including those who are not members of the audit and risk committee.

### **4. Reporting**

The Audit and Risk Committee will:

- report back to the Trust Board regularly every term.
- provide an annual summary report provided by the internal scrutineer / auditor and areas reviewed by internal scrutiny / audit covering key findings, recommendations, and conclusions

## **5. Coverage**

The Audit and Risk Committee will:

- 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. The Committee will ensure that the re-tendering of external auditors is at least every 5 years. 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
- ensure there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant
- consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
- 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 Board of Trustees
- provide minutes of all Audit and Risk Committee meetings for review at board meetings
- In addition to voting in person at a meeting Trustees are able to vote on matters via e-mail to the Clerk to the Trustees (ahead of the meeting) or via video / telephone conferencing during the meeting.

### **External Audit**

- 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 SLT in response to those findings
- produce an annual report of the committee's conclusions to advise the board of trustees and members.

## Internal Scrutiny

- 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.
- conduct a regular review of the risk register
- agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks.
- advise the trustees on the adequacy and effectiveness of the trust's systems of internal control, governance, and risk management processes,
- 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
- oversee the annual review of the trust's risk register

## Policies

- Review the operation of the Trust's codes of conduct for trustees and for staff.
- Review the operation of the Trust's Whistleblowing Policy.
- Review the operation of the Trust's policy on Gifts and Hospitality offered and received.
- To receive reports of notifiable breaches from the Data Protection Officer and to ensure compliance with data protection legislation.

Reviewed and agreed by Board of Trustees  
8<sup>th</sup> December 2021