

## Audit and Risk Committee - Terms of Reference

### Committee role

The Audit and Risk Committee (A&RC) will direct the Trust's programme of internal scrutiny. A key responsibility of the A&RC is to report to the Board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and risk management.

The A&RC will have the authority to investigate any activity within its terms of reference and will have the right of access to all the information and explanations it considers necessary, from whatever source, to fulfil its remit. The A&RC's oversight extends to all financial and non-financial controls and risks in the Trust's constituent Academies.

### Committee responsibilities

1. It will assess and provide the Trust Board with an opinion on the adequacy and effectiveness of the Trust's audit arrangements, framework of governance, risk management and control, and processes for the effective and efficient use of resources, the solvency of the Trust and the safeguarding of its assets.
2. It will agree a programme of work annually to deliver internal scrutiny that provides coverage across the year, advising the Trust Board on the annual audit strategy.
3. It will monitor, within agreed timescales, the implementation of recommendations arising from reports of the financial statements and regulatory auditor, and of any reports submitted by other providers of audit and assurance services to the Trust.
4. It will, at least annually, review and monitor the Trust's risk register, reviewing the ratings and responses to inform the agreed programme of work, ensuring that checks are modified as appropriate each year.
5. It will ensure that information submitted to the DfE and ESFA that affect funding, including learner number returns and funding claims (for both revenue and capital grants) completed on behalf of the Trust is accurate and in compliance with funding criteria.
6. It will advise the Trust Board on the appointment, reappointment, dismissal and remuneration of the Internal and External Auditors and other assurance providers as appropriate, and establish that all such assurance providers adhere to relevant professional standards.
7. It will establish, in conjunction with the Executive team, relevant performance measures and indicators and monitor the effectiveness of the financial statements and regularity auditors and other assurance providers, including the internal auditors (where appointed) and decide each year, based on these reviews, whether to reappoint the providers or re-tender for the services.

8. It will consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations.
9. It will oversee the Trust's policies on fraud and irregularity, and whistleblowing; it will ensure the proper, proportionate and independent investigation of all allegations and instances of fraud and irregularity. The investigation outcomes will be reported to the A&RC; that the external auditors (and internal auditors where appointed) have been informed, and that appropriate follow-up action has been planned/auctioned.
10. It will ensure that all significant cases of fraud or suspected fraud or irregularity are reported to the chief executive of the ESFA or appropriate funding body.

### **Membership**

The membership of the A&RC shall consist of up to 5 voting members, appointed by the Board, to include an appropriate mix of skills and experience in risk management, finance and audit. The A&RC must ensure that it maintains its independence.

The Internal and External Auditors will be invited to attend and contribute to meetings, without voting rights but to take part in discussions.

### **Executive attendance**

Employees of the Trust should not be voting members of the A&RC but the CEO and Finance Director (as accounting officer and chief financial officer) will attend meetings to provide information and contribute to discussions.

### **Chair**

The Chair will be appointed by the Trust Board but should not be the Chair of the Board.

### **Quorum**

3 voting members of the A&RC.

### **Meetings**

- Meetings should meet at least three times a year.
- An agenda and supporting documents will be available on the Trust's website.
- Minutes will be issued to all Trustees within three academic weeks of the meeting. Any items classed as "Confidential" will be recorded separately and will only be issued to A&RC members attending the meeting.
- Minutes will be agreed and signed at the next meeting of the A&RC.
- A summary of the meeting will be given at the next Board meeting, with any recommendations put to Trustees to be voted on.
- A copy of the minutes will be placed on the Trust website once agreed by the Board.