

AUDIT AND RISK COMMITTEE
Terms of Reference
2025-26

Authority

The Audit & Risk Committee is a committee of the Trust Board and is authorised to investigate, challenge, monitor and review any activity within its' terms of reference or specifically delegated to it by the Trust Board. The Audit & Risk Committee is authorised to request any information it requires from any Local Advisory Board (LAB), Trust Academy/School or employee, including external or internal auditors or other assurance providers.

The Audit & Risk Committee is authorised to obtain any outside legal or independent professional advice it considers necessary in consultation with the Chief Executive (CE) and/or Chair of the Trust Board.

Terms of Reference

Role

- To consider and challenge the statutory accounts (presented by the external auditor along with associated management letter and internal scrutiny report) and make recommendations to the Trust Board for approval.
- Direct and approve the Trust's programme of internal scrutiny.
- Overview and scrutiny of Trust wide Risk Management Strategy.
- Report to the board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.
- Long term financial plan oversight.
- Review of SRMSAT submission.
- Review of external Audit (including Health and Safety) and internal Audits and consideration of the action plans.
- Consider outputs from Governance reviews and ensure Governance arrangements for the Trust are compliant.
- To consider the Waiver Register.

Duties

The duties of the Audit & Risk Committee are to:

- Review, monitor and advise the Trust Board on the adequacy and effectiveness of the Trust's governance, risk management, internal control and VfM systems and frameworks.
- Advise the Trust Board on the appointment, re-appointment, dismissal and remuneration of any internal, external and regularity auditors. The Members have the final approval for the appointment of external auditors, on the recommendation of the Trust Board. The Committee will ensure that the service provider complies with the standards set by the Chartered Institute of Internal Auditors. The internal audit provider will conform to the Public Sector Internal Audit Standards.
- Advise the Trust Board on an appropriate programme of work to be delivered by independent assurance providers (internal audit /external audit). This programme of work should be derived from the Audit & Risk Committee's regard of the key risks faced by the Trust, the

assurance framework in place and its' duty to report to the Board. The annual summary report on internal scrutiny to the Audit and Risk committee for each year ended 31 August should outline the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress.

- Receive a report of the internal scrutiny work to each Audit and Risk committee meeting, including recommendations where appropriate to enhance financial and non-financial controls and risk management.
- Review the external auditor's annual planning document and approve the planned audit approach.
- Receive reports (assignment reports, annual reports, management letters etc) from the external auditor, internal auditor and other bodies, for example the ESFA and NAO, and consider any issues raised, the associated management response and action plans. Where necessary, reports should be referred to the Trust Board or other committee for information or action.
- 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, 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, dismissal or retendering of the external auditor, and their remuneration.
- To regularly monitor all outstanding audit recommendations, from whatever source, and ensure any delays to agree implementation dates are reasonable.
- To review the Trust's Fraud Policy and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.
- To ensure appropriate co-operation and co-ordination of the work of the external auditor and internal auditor.
- Meet with the external auditor and internal auditor or other assurance provider, at least annually.
- To ensure the Annual Report and Accounts are produced in accordance with the Academies Trust Handbook.
- To review the Annual Report and accounts and recommend for approval by the Trust Board.
- To review the Trust's risks from all areas of operation, including updates from School Improvement and Organisation Development Committee Chairs.
- To advise the Trust Board on the adequacy, effectiveness and consistency of Trust wide cyber security and data protection.

Governance

- Ensure Governance arrangements for the Trust are compliant.

Administration

- The Audit & Risk Committee will meet at least three times a year.
- Non-Confidential minutes from the Committee will be available via the Cumbria Education Trust website.
- The Trust Board will appoint the Chair of the Audit & Risk Committee. The Chair will be appointed every three years.
- The Audit & Risk Committee will consist of a minimum of three Trustees of the Board and be supported by the attendance of the CE/AO and CFO.
- The Audit & Risk Committee will be quorate if three Trustees are present and more than 50% of those present are Trust Board Trustees.
- Any decisions taken must be determined by a majority of votes of committee members present and voting – but no vote can be taken unless a majority of those present are Trustees of the Audit & Risk Committee.
- Only Trustees of the Audit & Risk Committee have the right to attend Audit & Risk Committee meetings, however other individuals such as the Chairs of the Local Advisory Boards, LAB Safeguarding Lead or Headteacher may be invited to attend all or part of the meeting but have no voting rights.
- Trust Senior Leadership Team (SLT) employees may be invited to attend, but have no voting rights.
- Administrative support will be provided by the Clerk to the Trust Board.
- Agendas will be agreed in advance by the Chair of the Audit & Risk Committee (based on, but not limited to, a pre-agreed annual schedule of activity) and papers will be circulated to members and attendees at least 5 working days in advance of the meeting.
- Minutes of meetings will be taken and approved in draft by the Chair of the Audit & Risk Committee. The draft minutes will be circulated to the Committee within at least 10 working days following the meeting.
- The Audit & Risk Committee will review these terms of reference annually. The Committee will self-assess its performance against these terms of reference on an annual basis.

The Committee has Final Approval for the following:

Governance

Amendment and approval of Committee Terms of Reference

Academy based Activities

Risk Management for Trust

The Audit & Risk Committee has Support/Advise/Recommendation/Information/Consultation on the following:

Statutory Requirements

Approval of audited Financial statements

Appointment of external auditors