

AUDIT & RISK COMMITTEE Terms of Reference

Authority

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

Terms of Reference

Role

The role of the Audit and Risk Committee is to maintain an oversight of the Trust's financial, governance, risk management, internal control and value for money (VfM) framework. The Audit and Risk Committee will additionally maintain an oversight of Trust wide safeguarding arrangements and Health and Safety (H&S) compliance.

The Trust Board will appoint a Director who has specific responsibility for safeguarding and make contact details for that Trust Board Director available on the Academy, School and Trust websites.

Duties

The duties of the Audit and 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 and LABs on the appointment, re-appointment, dismissal and remuneration of any internal, external and regularity auditors. 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.
- 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 EFA and NAO, and consider any issues raised, the associated management response and action plans. Where necessary, reports should be referred to the Board or other committee for information or action.
- 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 response plan 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 oversee the annual budget setting and as necessary recommend for approval by the Trust Board.
- Report to the Trust Board on all financial matters.
- Regularly monitor income and expenditure against budget, including reporting of any significant budget amendments.
- To review any alterations to the Trust's Finance Manual, recommending any changes to the Trust Board for approval.
- To ensure compliance with the Finance Manual and Academies Financial Handbook and ensure that academy and school financial control systems are robust.
- To ensure the Annual Report and Accounts are produced in accordance with the Academies Financial Handbook.
- To review the Annual Report and accounts and recommend for approval by the Trust Board.
- To approve; opening and operation of academy/school bank accounts; authorised signatories; transfers between accounts; operation of credit cards; payment system controls including BACS.
- To approve the Management Improvement Plans (MIPS) and actions relating to finance.
- To have a strategic financial view of income, staffing costs, other expenditure and capital projects
- To have a strategic view regarding forward planning of academy/school finances through longer term financial plans and projections, including capital funding both for maintenance of existing facilities and for academy/school improvement projects.
- To review the Trust's Risk Register at each Committee.

Safeguarding

- To ensure that safeguarding (including Child Protection) and Health & Safety are a continuous priority throughout the Trust.
- To ensure that Health and Safety is subject to annual audit at each academy/school.
- To advise the Trust Board on the adequacy, effectiveness and consistency of Trust wide safeguarding management.
- To ensure that suitable and sufficient guidance, information and training are in place for safeguarding and Health & Safety.
- To advise the Trust Board on investigations and liabilities in relation to safeguarding and Health & Safety.

- To ensure that Annual Safeguarding Management Improvement Plans (MIPs) are in place throughout the Trust.

Administration

- The Audit and Risk Committee will meet before any Trust Board Meeting
- The Trust Board will appoint the Chair of the Audit & Risk Committee.
- The Audit and Risk Committee will consist of a minimum of three Directors of the Board.
- The Audit and Risk Committee will be quorate if three Directors are present and more than 50% of those present are Trust Board Directors.
- Only Directors of the Audit and Risk Committee have the right to attend Audit and Risk meetings, however other individuals such as the Chair of the Local Advisory Board's, LAB Safeguarding Lead or Headteacher may be invited to attend all or part of the meeting but have no voting rights.
- Trust Business Leadership Team (BLT) members 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 and 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 and Risk Committee. The draft minutes will be circulated to the Committee within at least 10 working days following the meeting.
- The Trust Board and the Audit and 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.

September 2017