

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

This is a committee of the Board of Directors.

<b>Membership:</b>	<ul style="list-style-type: none"><li>• A Minimum of 3 Directors, not subject to a maximum</li><li>• Up to 2 Co-optees, wherever possible not drawn from Advisory Groups</li></ul>
<b>In attendance/non-voting attendees</b>	<ul style="list-style-type: none"><li>• CEO, CFO and Finance Director</li><li>• The Committee is authorised to invite further attendees to assist and advise on a particular matter (non-voting)</li></ul>
<b>Chair:</b>	Recommended to the Board of Directors by the Committee, being appointed at its first meeting of each academic year. The Chair of the Committee must not be the Chair of the Board and should not be the Chair of Finance.
<b>Quorum:</b>	Three members with a minimum of two Directors present. The same applies for any written resolution.
<b>Clerk:</b>	Governance Manager
<b>Frequency:</b>	A minimum of 3 meetings per academic year.
<b>Method of Reporting to the Trust:</b>	Chairs' communication report
<b>Overall Purpose of the Committee:</b>	The Audit and Risk Committee plays a crucial role in supporting the Board to meet its obligations by ensuring the maintenance of appropriate and adequate audit processes and the governance of internal and external audit programmes.
<b>Responsibilities</b>	<ul style="list-style-type: none"><li>• Ensure the timely creation of an Annual Report and Accounts</li><li>• Monitor compliance with trust's Articles of Association, charitable objects, with company and charity law</li><li>• Ensure Health &amp; Safety procedures are in place and strictly adhered to</li><li>• Ensure GDPR requirements are met</li><li>• Review the effectiveness of internal scrutiny arrangements</li></ul>

- Review the outcomes of internal and external audit
- Scrutinises financial and non-financial controls and risk
- Scrutinises conflicts of interest and related party transactions
- Ensures adequate insurance cover is in place
- Recommends the appointment of internal auditors to Board, after being involved with the tender process
- Recommends the appointment of external auditors to Board and Members (Members being the approving body), after being involved with the tender process
- Ensuring compliance with ESFA requirements

**Detail**

**Oversight of risk and the risk register**

The Committee scrutinises financial and non-financial controls and risk and provides intelligence to the Board. Risk management covers the full operations and activities of the trust, not only financial risks. The trust's management of risks must include contingency and business continuity planning.

**Risk protection arrangement**

Ensure there is adequate insurance cover in compliance with its legal obligations or be a member of the academies risk protection arrangement

**Internal scrutiny**

Agree a programme of internal scrutiny to provide independent assurance to the board that its financial and non-financial controls, and risk management procedures are operating effectively. The Committee is responsible for overseeing internal scrutiny, though its findings must also be made available to the Board. Confirm which internal scrutiny option it's applied and why, in its governance statement (this accompanies the annual accounts).

**External Audit oversight and findings**

- review the external auditor's plan each year
- review the annual report and accounts - accounts must be audited and submitted to the ESFA by 31 December.
- review the auditor's findings and actions taken by the trust's managers in response to those findings

• 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 or dismissal or retendering. Considerations may include:

- the auditor'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 comments and recommendations in relation to key areas
- the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
- the auditor's use of technology
- report the committee's conclusions at least annually to the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

**Managing conflicts of interest and related party transactions**

Ensures all members, trustees, local governors of academies and senior employees complete the register of interests, in accordance with the ATH requirements.

Ensures the Trust reports all contracts and other agreements with related parties to ESFA in advance of the contract or agreement commencing or being renewed