

## Audit and Risk Management Committee

### Terms of Reference

2024/25



#### Committee Purpose

To review the effectiveness of the Trust's internal and external financial, non-financial and risk controls, and ensure their alignment with its strategic objectives, providing timely advice to the Board on the extent of risk assurance arising from those controls, and other areas within its remit.

To challenge and hold to account the Executive on such matters.

#### Responsibilities

1. To advise the Board on the appointment, reappointment, dismissal and remuneration of the internal and external audit providers;
2. To determine and advise the Board on the scope of the work of the internal and external audit services, scrutinise the corresponding findings report and review the progress in addressing the recommendations arising from the audits;
3. To ensure effective co-ordination between the internal and external audit services;
4. To annually report to the Board on the effectiveness of the external auditor;
5. To oversee the Trust's internal risk identification, control and management processes, and report findings to the Board;
6. To regularly review the format and function of the Trust's risk register, risk management policy and control framework e.g. risk management policy, risk identification, heat map, control measures and their application, and to help the Board consider its risk appetite;
7. To monitor the Trust's compliance with the requirements of any relevant funding agency including the DfE, ESFA and with the requirements of the Academy Trust Handbook;
8. To ensure information submitted to DfE and ESFA affecting funding is accurate and compliant;
9. To monitor the effectiveness of the Trust's GDPR processes;
10. To review the fraud and corruption, theft, bribery procedures in the Financial Regulations to ensure that they are effective and to consider the outcomes of any special investigations of fraud;
11. To review and recommend the Trust's whistleblowing policy and receive ensure all staff are aware of the whistleblowing process, and how concerns will be managed;
12. To annually review its own effectiveness and report the results of that review to the Board.

#### Delegated Authorities

1. To advise the Board on the appointment of Internal Auditors;
2. To determine and advise the Board on the programme of Internal Audit works for the year ahead;
3. To determine and advise the Board on the programme of External Audit works for the year ahead;
4. To establish the Board's control framework.

#### Policies/Reports to scrutinise and recommend to the Trust Board:

1. Risk Management Policy including Risk Register
2. Fraud and corruption, theft, bribery procedures
3. Whistleblowing policy
4. Complaints policy
5. Appointment of Internal Auditors
6. Appointment of External Auditors (Trust Board will in turn submit to the Members for approval) and annually advise the Board on the effectiveness of the External Auditors

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7. Annual report and Financial Statements of the Trust
8. Annual report of the Audit and Risk Management Committee incorporating the annual report on internal scrutiny

#### **Membership**

The Committee shall comprise at least 3 and up to 7 voting members, at least one of whom shall have relevant financial/audit experience. Provided the Trust's Articles of Association continue to require it, the majority of voting members shall be Trustees.

The Committee may invite the Trust's advisers or other third parties to attend meetings of the Committee as appropriate (such persons shall be entitled to speak at the meeting, but not to vote).

The CEO (as accounting officer) and CFO are invited to attend the meetings to provide information and participate in discussions. Members of the Senior Executive Team may attend meetings of the Committee. Other staff members wishing to attend meetings of the Committee should contact the Committee Chair to secure an invitation.

To safeguard independence and objectivity, the following people may not serve on the Committee:

- the Chair of the Board
- the Accounting Officer (if they are also a Trustee)
- Trustees who have significant commercial interests in the Trust

The quorum for meetings of the Committee shall be three and must include at least one member with relevant financial/audit experience.

#### **Chair**

The Trust Board will appoint a Trustee as the Committee Chair through its standard processes for a term of one year, renewable, at its meeting in July for the following academic year.

#### **Vice-Chair**

The Trust Board will appoint a Trustee as the Committee Vice Chair through its standard processes for a term of one year, renewable, at its meeting in July for the following academic year.

#### **Clerk**

The Governance Professional shall act as Clerk to the Committee.

#### **Frequency of Meetings**

The Committee will meet at least termly.

#### **Term of Office**

Appointments of members of the Committee will cease at the end of their term of office as a Trustee, unless members opt to terminate their membership by issuing notice of resignation to the Governance Professional.

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**Powers**

This Committee is advisory to the Board, apart from the specific powers delegated above and any additional powers as delegated by the Trust Board, from time to time.