



Risk and Audit Committee Terms of Reference

1. Responsibilities

The Risk & Audit Committee operates in accordance with its Terms of Reference under the Scheme of Delegation.

The responsibilities of the committee include:

- Advise and report to the Directors in relation to any organisational risks which might impede the development and implementation of a long-term strategy for the success of the Trust.
- Support the Directors in the formulation of audit and risk management policies for the Trust and the Academies for achieving the aims and objectives set out in the Trust's Development Plan or long-term strategic vision.
- Advise the Directors on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money)
- Review any financial and risk report submitted to the Academies and advising the Directors on any issues arising from it as well as making recommendations for future reports to sustain the integrity of the financial and risk management systems
- Advise the Directors on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit)
- Agree the work programme of internal audit including the checking of financial controls, systems, transactions and risks
- Consider the reports of the auditors and, when appropriate, advise the Directors and the Academies of material control issues and monitor the implementation of agreed audit recommendations
- Advise on policies for the securing of the funds and assets of the Trust including by the prevention of loss through fraud and irregularity
- Ensure that all allegations of fraud and irregularity are appropriately investigated, and control weaknesses addressed, working with the Directors and the Headteachers of the Academies, as appropriate
- Recommend the annual financial statements to the Directors for approval.

2. Authority

- The Risk & Audit Committee is a Committee of the Academy Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Trust Board.
- The committee is authorised to:
 - Request any information it requires from any employee, external audit, internal audit, or other assurance provider.
 - Obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

3. Composition



- The membership of the committee will comprise a minimum of 3 Trustees.
- Employees of the Trust should not be committee members, but the Accounting Officer and Chief Financial Officer should attend to provide information and participate in discussions (the CEO will only attend for any specific items for which they are required to attend).
- The Chair of Trustees should not be chair of the Risk & Audit Committee.
- Where the committee is combined with another committee, employees should not participate as members when audit matters are discussed.
- Until otherwise determined by the Board of Trustees, a quorum shall consist of 2 members of the committee.
- At least one member of the committee should have recent or relevant accountancy, or audit assurance, experience.
- Any Trustee may attend a meeting of the Risk & Audit Committee, including those who are not members of the committee.

4. Reporting

- The Risk & Audit Committee will:
 - Report back to the Trust Board regularly every term.
 - Provide an annual summary report provided by the internal scrutineer / auditor and areas reviewed by internal scrutiny / audit covering key findings, recommendations, and conclusions

5. Remit

The Risk & Audit Committee's remit is to:

- Advise and report to the Directors in relation any organisational risks which might impede the development and implementation of a long-term strategy for the success of the Trust. The Directors shall consider any such advice given by the committee.
- Support the Directors in developing an organisational structure which reflects the Trust's values and enables the management systems, structures and processes to work effectively in line with legal requirements and to ensure sound financial management.
- Support the Directors in the formulation of financial and risk management policies for the Trust and the Academies for achieving the aims and objectives set out in the Trust's Development Plan or long-term strategic vision.
- Advise the Directors on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and securing economy, efficiency and effectiveness (value for money).
- Regularly review the statement on internal control and make appropriate recommendation to the Directors and when appropriate communicate messages and advice to the Local Governing Committee, liaising as necessary with any responsible officer appointed by the Local Governing Committee to be responsible for financial oversight and risk management of the Academy's activities.
- Support (and challenge when necessary) the Directors and in particular the Chief Executive Officer (being the Trust's "accounting officer") to ensure he or she satisfies his or her duty as accounting officer to:
 - Ensuring value for money.
 - Ensuring regularity and propriety.



- Ensuring prudent and economical administration.
- Avoiding waste and extravagance.
- Ensuring the efficient and effective use of resources.
- Keeping proper accounts.

Establish and implement a system of financial and risk reporting by the academies to the COO. Finance manager to monitor the risks and share outcomes with LGC. Directors to oversee red risks to ensure that such a system complies with the Trust's legal obligations.

- Red risks go to the full Trust Board.
- Review any financial and risk report submitted by the Academies and advising the Directors on any issues arising from it as well as making recommendations for future reports to sustain the integrity of the financial and risk management systems.
- Advise on the formulation and implementation of a policy for the approval and signing of
 - contracts, ensuring all contracts to be entered into by the Academy are appropriate, have been authorised (or are within delegated authority) and do not expose the Academy to undue risk.
- Advise the Directors on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit).
- Monitor the effectiveness of auditors, including the use of auditor performance indicators.
- Ensure effective coordination between auditors ensuring that a consistent method of audit is adopted across all Academies.
- Ensure that additional services undertaken by auditors are compatible with the audit
 - independence and objectivity.
- Agree the work programme of internal audit including the checking of financial controls, systems, transactions and risks.
- Consider the reports of the auditors and, when appropriate, advise the Directors and the Academies of material control issues
- Monitor the implementation of agreed audit recommendations.
- Advise on policies for the securing of the funds and assets of the Trust including by the prevention of loss through fraud and irregularity.
- Ensure that all allegations of fraud and irregularity are appropriately investigated, and control weaknesses addressed, working with the Directors and the Headteachers of the Academies, as appropriate.
- Recommend the annual financial statements to the Directors for approval.