



THE CONSORTIUM  
ACADEMY TRUST

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Shaping Positive Futures

## **Terms of Reference for the Audit and Risk Committee**

### **1.0 Role, Purpose and Authority**

- 1.1 The Governing Trust Board (“the Trust Board”) has resolved to establish an Audit and Risk Committee (“the Committee”) in accordance with the provisions of the Articles of Association and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
- 1.2 The responsibilities of the Audit and Risk Committee are to maintain an oversight of the adequacy and effectiveness of the Trust’s assurance arrangements for financial, governance, risk management and internal control systems.
- 1.3 This Committee will be subject to the provisions of a Scheme of Delegation and shall operate in accordance with any requirements of the Education and Skills Funding Agency and any other national funding bodies and will operate in accordance with the Audit and Risk Committee Handbook as issued by H M Treasury and the ESFA Academy Trust Handbook. The Committee is responsible to the Trust Board.
- 1.4 The Committee will report its findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements.
- 1.5 The Audit and Risk Committee has no executive powers or operational responsibilities /duties.
- 1.6 The Committee is authorised by the Trust Board to seek any information it requires from any employee, external audit, internal audit or other assurance partner. Obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer / and or the Trust Board

### **2.0 Membership and Quorum**

- 2.1 The Trust Board may co-opt persons to the Committee who are not Trustees. The Committee shall consist of a minimum of 3 and a maximum of 6 members (of whom at least **two** shall be Trustees)
  - 2.2 At least one member of the Committee should have recent or relevant accountancy, or audit assurance, experience.
  - 2.3 The Chair of the Trust Board and the Chair of the Finance and Resources Committee shall not serve as Chair.
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- 2.4 Staff employed by the Trust may be invited to attend the Audit and Risk Committee to provide information and participate in discussions, but should not be members of the committee
- 2.5 Any Trustee may attend a meeting of the Audit and Risk Committee, including those who are not members of the Audit and Risk Committee.
- 2.6 The Chief Executive Officer/Accounting Officer and Finance Director (or equivalent) should also attend meetings.
- 2.7 A quorum shall consist of 2 members of the Committee one of whom must be a Trustee.
- 2.8 The members of the Committee shall hold office from the date of their appointment until their resignation or their omission from membership of the Committee on subsequent consideration by the Trust Board (whichever should happen first).
- 2.9 The Committee shall meet as necessary in accordance with the Trust's framework but normally at least once per term. The Chair or any two members may call a meeting.

### **3.0 Clerking**

- 3.1 The Governance Professional or their Deputy will be the Clerk to the Audit and Risk Committee who will keep appropriate records of the proceedings. Agendas and papers will be circulated to Committee members at least 5 working days in advance of the meeting.
- 3.2 Minutes of the meeting will be taken by the Clerk and draft minutes will be circulated to the Committee and Trust Board members within 14 days of the meeting.
- 3.3 A register of attendance shall be kept for each meeting of the Committee and be published annually.

### **4.0 Chairmanship**

- 4.1 The Chair of the Committee shall be appointed by the Trust Board annually.
- 4.2 If the Chair is absent from a meeting, the members shall choose one of their number to act as Chair for that meeting.

### **5.0 Scope**

The Audit and Risk Committee will:

- 5.1 Oversee the Trust's risk register and, on the advice of the CEO/Accounting Officer and Finance Director, conduct a regular review of risks
  - 5.2 Take delegated responsibility on behalf of the Board of Trustees for obtaining assurance on the adequacy and effectiveness of the Trust's assurance arrangements, framework of governance, risk management and control processes for the effective use of resources, solvency and the safeguarding of assets in line with the Academy Trust Handbook.
  - 5.3 Agree an annual programme of internal scrutiny with the Trust's internal auditors for checking financial systems, controls, transactions and risks.
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- 5.4 Ensure that the programme of internal scrutiny delivers objective and independent assurance.
- 5.5 Provide assurance to the Trust Board that risks are being adequately identified and managed
- 5.6 Advise the Trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and governance processes, securing economy, efficiency and effectiveness (value for money)
- 5.7 Consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise senior management on any additional or alternative steps to be taken
- 5.8 Advise the Trust Board on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit)
- 5.9 Monitor the effectiveness of auditors
- 5.10 Review the findings of the external auditors and agree any action plan arising from it
- 5.11 Ensure there is co-ordination between internal audit and external audit and any other review bodies that are relevant
- 5.12 Ensure that additional services undertaken by the auditors is compatible with the audit independence and objectivity
- 5.13 Consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
- 5.14 Encourage a culture within the Trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees
- 5.15 To ensure the Trust complies with funding agencies' mandatory requirements relating to audit
- 5.16 To oversee the Trust's policies on and processes around fraud, irregularity, impropriety, and whistleblowing and ensure:
  - 5.16.1 the proper, proportionate, and independent investigation of all allegations and instances of fraud and irregularity
  - 5.16.2 that the financial statements auditor and IAS informed of investigation outcomes and other matters of fraud, irregularity and impropriety, and that appropriate follow up action has been planned/actioned
  - 5.16.3 that all significant cases of fraud or suspected fraud, theft, bribery corruption, irregularity, major weaknesses or breakdown in the accounting or other control framework are reported to the ESFA, and other relevant funding or authority as soon as possible risks around fraud have been identified and controls put in place to mitigate them.

## **6.0 Reporting and Review**

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- 6.1 The Chair of the Committee shall be responsible for giving a summary of the Committee's deliberations, recommendations and decisions made at the next meeting of the Trust Board.
- 6.2 The Committee will provide an annual summary report provided by the internal auditor in areas reviewed by internal audit covering key findings, recommendations and conclusions
- 6.3 The Committee shall conduct a review of its work and these Terms of Reference every 2 years, and shall report the outcome and make recommendations to the Trust Board.

The original Terms of Reference were discussed and approved by the Audit and Risk Committee on 29 November 2017 and reviewed and approved annually thereafter.

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