

Audit & Risk Management Committee

Terms of Reference



Purpose

To review the effectiveness of the Trust's internal and external risk controls, report to the Trust Board regarding the level of risk assurance from those controls, and ensure the alignment of the Trust's risk systems with its strategic objectives, providing timely advice to the Board on areas within its remit.

Responsibilities

1. To oversee the Trust's internal and external audit services and its internal risk management processes;
2. To advise the Board on the appointment, reappointment, dismissal and remuneration of the internal and external audit providers;
3. To determine and advise the Board on the scope and objective of the work of the internal and external audit services;
4. To ensure effective co-ordination between the internal and external audit services;
5. To monitor the Trust's compliance with the requirements of any relevant funding agency including the ESFA and with the requirements of the Academy Trust Handbook;
6. To regularly review the format and function of the Trust's risk register and risk management framework e.g. policy, risk identification, heat map, control measures and their application and risk appetite;
7. To ensure there are effective anti-fraud and whistleblowing measures and processes including arrangements for special investigations;
8. To report annually to the Board on the risk assurance provided by the Trust's risk system and its alignment with the Trust's strategy, in particular:
 - the results of internal and external audit work, including individual audits, progress, remedial actions, annual reports and management letters;
 - the adequacy of management responses to issues raised by internal and external audit, and the implementation of audit recommendations;
 - the adequacy of the Trust's systems of quality assurance, financial and operational controls, risk management and safeguarding of assets;
 - all relevant reports by the National Audit Office, the ESFA and other funding bodies, and where appropriate, the executive's response to these;
9. The Committee will also annually review its own effectiveness and report the results of that review to the Board.

Delegated Authorities

1. To determine and advise the Board on the scope and objective of the work of the internal and external audit services;
2. Programme of Internal Audit works for the year ahead
3. Programme of External Audit works for the year ahead
4. Appointment of Internal Auditors

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

1. Appointment of External Auditors (Trust Board will in turn submit to the Members for approval)
2. Annual report and Financial Statements of the Trust
3. Annual report of the Audit and Risk Management Committee incorporating the annual report on internal scrutiny
4. Risk Management Policy including Risk Appetite statement

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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 Articles of the Trust 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 should attend the meetings to provide information and participate in discussions.

There shall be a standing invitation for members of the Senior Executive Team (excluding the Principals of the Colleges within the Trust) to attend meetings of the Committee unless the Chair confirms otherwise. Other members of staff may also attend on specific invitation from the Committee Chair.

In order to maximise the Committee's independence and objectivity, the following people shall not be eligible to serve on the Committee:

- members of the Finance Committee
- the Chair of the Board
- the Accounting Officer (CEO)
- the Principals of the Colleges within the Trust
- Trustees who have significant commercial interests in the Colleges in the Trust

The quorum for meetings 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 Trust Clerk shall act as Clerk to the Committee

Frequency of Meetings

The Committee will meet not less than four times a year. The internal or external auditor may request a meeting of the Committee if they consider it to be necessary, and the Committee will endeavour to comply with such requests.

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 Trust Clerk.

Powers

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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.