Audit and Risk Committee Terms of Reference

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DOCUMENT CONTROL

Unless there are legislative or regulatory changes in the interim, this policy will be reviewed every year. Should no substantive changes be required at that point, the policy will move to the next review cycle.

Version	Date	Changes
1.0	01/2026	This is a new document, created due to a change of committee structure

1. Purpose

1.1. Our Audit and Risk Committee is a committee of our Board of Trustees established under our Articles of Association.

1.2. The committee is established to meet the requirements of the Academy Trust Handbook.

1.3. The committee's role is advisory to our Board unless specific decision-making authority has been delegated to it by our Board.

1.4. The purpose of the Audit and Risk Committee is to support our Board in fulfilling its statutory responsibilities by providing effective oversight, scrutiny and challenge in relation to:

1.4.1. internal control frameworks.

1.4.2. financial and non-financial controls.

1.4.3. IT and estate management.

1.4.4. health and safety.

1.4.5. governance arrangements.

1.4.6. risk management processes (including the risk register).

1.4.7. internal scrutiny arrangements.

1.4.8. external audit arrangements.

2. Membership

2.1. The committee shall consist of five trustees appointed by our Board.

2.2. The Chair of our Board shall not chair our Audit and Risk Committee.

2.3. The Chair of our Finance Committee should not chair our Audit and Risk Committee.

2.4. Employees of our trust shall not be members of the committee.

2.5. Our Accounting Officer (CEO) and Chief Financial Officer shall attend meetings to provide information and participate in discussions but shall not participate as members.

2.6. The committee may invite internal auditors, external auditors, specialist advisers and members of staff to attend meetings where appropriate.

2.7. At least one member of the committee should have recent and relevant accountancy, audit or risk assurance experience.

2.8. Any trustee may attend meetings as an observer.

3. Quorum

3.1. The quorum for meetings shall be three trustees.

3.2. No vote may be taken at a meeting unless the meeting is quorate.

4. Meetings

4.1. The committee shall meet at least three times per year.

4.2. Additional meetings may be convened where necessary.

4.3. The committee shall meet separately with the external auditor and/or internal scrutiny provider at least annually if required.

4.4. Agenda and papers will normally be circulated at least seven days in advance of meetings.

4.5. Meetings will take place in person or through electronic communication arrangements.

5. Clerking and Administration

5.1. Our Trust Head of Governance shall clerk or arrange clerking of the committee.

5.2. The clerk will:

5.2.1. convene meetings.

5.2.2. circulate agenda and papers.

5.2.3. record minutes and actions.

5.2.4. retain records of committee business.

5.2.5. ensure approved minutes are reported to our Board.

6. Authority

6.1. The committee is authorised by our Board to:

6.1.1. investigate any activity within its terms of reference.

6.1.2. request information from any employee, officer or trustee of our trust.

6.1.3. access all records and documents relevant to its responsibilities.

6.1.4. obtain external legal or professional advice where necessary.

6.1.5. meet with internal or external auditors without management present where appropriate.

7. Responsibilities

7.1. Internal Scrutiny

7.2. The committee shall:

7.2.1. oversee and approve the trust's programme of internal scrutiny.

7.2.2. ensure internal scrutiny is informed by the trust's risk register.

7.2.3. ensure the programme provides appropriate coverage across the year.

7.2.4. approve the scope of internal scrutiny reviews.

7.2.5. review reports arising from internal scrutiny work.

7.2.6. monitor management responses and implementation of recommendations.

7.2.7. ensure findings are reported promptly to our Board.

7.2.8. receive regular reports from those delivering internal scrutiny.

7.2.9. receive and review the annual summary internal scrutiny report.

7.3. The committee shall ensure internal scrutiny:

7.3.1. is independent and objective.

7.3.2. is conducted by suitably qualified and experienced individuals.

7.3.3. provides assurance on financial and non-financial controls.

7.3.4. addresses governance, risk management and compliance arrangements.

7.4. Risk Management

7.5. The committee shall:

7.5.1. oversee the trust's risk management framework.

7.5.2. review the trust's risk register regularly.

7.5.3. monitor the adequacy of risk mitigation and assurance arrangements.

7.5.4. advise our Board on significant strategic, operational, financial and compliance risks.

7.5.5. review emerging risks and horizon scanning.

7.5.6. ensure risks relating to fraud, cyber security, estates compliance, health and safety, safeguarding and business continuity are appropriately considered.

7.5.7. ensure oversight of cyber security resilience and incident response arrangements.

7.5.8. provide assurance to the Board that risk management processes are effective.

7.6. The committee shall advise our Board on our trust's risk appetite and tolerance and monitor alignment between strategic objectives and risk exposure.

7.7. Internal Control and Assurance

7.8. The committee shall:

- 7.8.1. review the adequacy and effectiveness of internal control systems.
- 7.8.2. consider whether appropriate segregation of duties exists.
- 7.8.3. review assurances relating to regularity, propriety and value for money.
- 7.8.4. review arrangements for whistleblowing, anti-fraud and anti-bribery.
- 7.8.5. monitor arrangements for preventing and detecting fraud, theft, irregularity and cybercrime.
- 7.8.6. receive reports on any significant instances of fraud, theft or irregularity.
- 7.8.7. monitor compliance with the Academy Trust Handbook and other regulatory requirements.

7.9. External Audit

7.10. The committee shall:

- 7.10.1. review the external auditor's annual plan.
- 7.10.2. review the annual report and financial statements prior to Board approval.
- 7.10.3. review the auditor's management letter and findings.
- 7.10.4. monitor management responses to external audit recommendations.
- 7.10.5. assess the effectiveness, independence and performance of the external auditor.
- 7.10.6. advise members regarding the appointment, reappointment, dismissal or retendering of external auditors.
- 7.10.7. recommend auditor remuneration to the Board and members.
- 7.10.8. ensure there is appropriate coordination between external audit and internal scrutiny.

7.11. In assessing the external auditor, the committee may consider:

- 7.11.1. sector expertise.
- 7.11.2. understanding of our trust and its activities.
- 7.11.3. quality and timeliness of communication.
- 7.11.4. robustness of challenge.
- 7.11.5. quality of recommendations.
- 7.11.6. use of technology and innovation.

7.12. Governance and Compliance

7.13. The committee shall:

- 7.13.1. review our trust's arrangements for governance compliance.
- 7.13.2. monitor compliance with our trust's Scheme of Delegation.
- 7.13.3. oversee arrangements relating to declarations of interest and related party transactions.
- 7.13.4. receive assurance regarding the accuracy of information submitted to the Department for Education that affects funding.

7.14. Culture and Ethical Standards

7.15. The committee shall:

- 7.15.1. promote a culture of integrity, transparency and accountability.
- 7.15.2. encourage appropriate reporting and escalation of concerns.
- 7.15.3. review the effectiveness of whistleblowing arrangements.
- 7.15.4. ensure concerns can be raised confidentially and independently where appropriate.

7.16. Reporting

7.17. The committee shall:

7.17.1. report regularly to our Board on its work and findings.

7.17.2. provide appropriate recommendations to our Board.

7.17.3. advise our Board on the adequacy of the trust's internal control and risk management framework.

8. Access to Auditors and Scrutineers

8.1. The committee shall have direct access to:

8.1.1. the external auditor.

8.1.2. internal auditors or internal scrutiny providers.

8.1.3. other assurance providers as required.

9. Delegated Authority

9.1. The committee does not have authority to approve the trust's annual accounts or appoint auditors unless specifically delegated by the Board or members.

9.2. The committee's role is to provide scrutiny, challenge and recommendations.

10. Review of Effectiveness

10.1. The committee shall review its effectiveness and these Terms of Reference annually and recommend any changes to our Board.

11. Related Documents

11.1. These Terms of Reference should be read alongside:

11.1.1. our trust's Articles of Association.

11.1.2. our trust's Scheme of Delegation.

11.1.3. our trust's Finance policy.

11.1.4. our trust's Risk Management Policy.

11.1.5. our trust's Whistleblowing Policy.

11.1.6. the Academy Trust Handbook.

11.1.7. all relevant legislation and regulatory guidance.