



Central Schools Trust

Terms of Reference Audit and Risk Committee

September 2024

Composition and Quorum

- The membership of the committee will comprise a minimum of 3 trustees
- Until otherwise determined by the board of trustees, a quorum shall consist of 2 trustee members of the committee

Purpose

- To maintain an oversight of the Academy Trust's financial, governance, risk management and internal control systems
- To report termly and annually to the Trust Board and the Accounting Officer as a critical element of the trust's annual reporting requirements

Composition

- The membership of the committee will comprise of a minimum of 3 trustees
- Employees of the trust should not be audit and risk committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions, if asked to do so.
- The chair of the trustees and the chair of the finance committee shall not serve as the chair of the audit and risk committee
- Until otherwise determined by the board of trustees, a quorum shall consist of 2 trustee members of the committee

- Staff employed by the trust may be invited to attend the audit committee to provide information and participate in discussions but should not be members of the committee
- Any trustee may attend a meeting of the audit committee, including those who are not members of the audit committee

Authority

- The Audit and Risk Committee is a Committee of the Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board

The Audit and Risk Committee is authorised to:

- Request any information it requires from any employee, external auditor, person/people carrying out internal scrutiny 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

Reporting

The Audit and Risk Committee will:

- Report back to the Trust Board every term
- Provide an annual summary report provided by the internal auditor in areas reviewed by internal audit covering key findings, recommendations and conclusions

Terms of Reference

The Audit and Risk committee will:

- Advise the board on the effectiveness and resources of external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering or remuneration
- Ensure there is co-ordination between those conducting internal scrutiny and external auditors (where they're different people/organisations) and any other review bodies that are relevant
- Consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues

- Support a culture within the trust whereby each individual feels that they have 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
- Provide minutes of all Audit and Risk Committee meetings for review at board meetings

External Audit

- Review the external auditor's plan each year
- Review the annual report and accounts
- Review the auditor's findings and actions taken by the trust's SLT in response to those findings
- Produce an annual report of the committee's conclusions to advise the board of trustees and members

Internal Scrutiny

- Take delegated responsibility on behalf of the board of trustees for examining and reviewing all systems and methods of control both financial and otherwise, including risk analysis and risk management; and for ensuring the trust is complying with the overall requirements for internal scrutiny, as specified in the Academy Trust Handbook
- Conduct a regular review of the risk register
- Agree an annual programme of internal scrutiny/audit, which is objective and independent, covering systems, controls, transactions, and risks
- Ensure that the annual programme of internal scrutiny delivers objective and independent assurance
- Advise the trustees on the adequacy and effectiveness of the trust's systems of internal control, governance, and risk management processes
- Consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the board on any additional or alternative steps to be taken
- Oversee the annual review of the trust's risk register

Rights

The Audit and Risk Committee may:

- Co-opt additional members to provide specialist skills, knowledge and experience and review their contribution annually
- Procure specialist ad-hoc advice at the expense of the trust, subject to budgets agreed by the trustees

Meetings

The Audit and Risk Committee will meet at least 3 times a year.

Meetings will go over the updates given by those carrying out internal scrutiny work and consider any recommended actions.

In the first meeting after the committee has received the annual report from those carrying out the internal scrutiny work, the committee will go through the report, and consider:

- The areas reviewed
- Key findings
- Recommendations
- Conclusions

Following this, the committee will consider actions and assess progress from the previous year.

This will be followed by deciding the process for internal scrutiny to be followed for the coming year, reviewing the risk register and designing the programme of work for the coming year.

Any 2 Audit and Risk Committee members can request that the chair convene a meeting by giving no less than 14 days' prior notice.