

## **Audit Committee – Terms of Reference**

### **Membership**

- The Board of Directors will determine the membership, proceedings and terms of reference of any committee.
- The membership of a Committee may include members of the Trust Executive Team, provided that a majority of members of the Committee are Directors.
- Each Committee must elect a chair and a clerk – the Board of Directors will decide whether to appoint the Chair or whether the Committee should do this.
- The CEO cannot be the Clerk to a Committee. Although a Director can fulfil this role, it is recommended that it is better practice to have an independent professional Clerk.

### **Quorum**

- As a minimum this must not be less than three Director members of the Committee.

### **Meetings**

- The Committee will meet at least once per term.
- Committee meetings are not open to the public. Information relating to a named person or any other matter that the committee considers confidential does not have to be made available for inspection.
- The regularity or financial statements auditors may request a meeting of the Audit Committee or with the Chair of the Audit Committee should they consider that one is necessary. The meetings may be held with or without other participants, as appropriate.
- In the absence of the Clerk, the Committee shall choose a Clerk for that meeting from among their number (but not the CEO).
- The draft minutes of each meeting will be circulated with the agenda for the next ordinary meeting of the Board of Directors and will be presented at that meeting by the Chair (or in his/her absence another member of the Committee).
- Any decisions taken must be determined by a majority of votes of Committee members present, but no vote can be taken unless a majority of those present are Directors.

### **General Terms**

- To act on matters delegated by the Board of Directors and the Members
- To liaise and consult with, and make recommendations to other Committees where necessary.
- To consider safeguarding and equalities implications when undertaking all Committee functions.
- To reflect on the effectiveness of the committee's work on a frequency determined by the Directors

At the first meeting of the academic year, the Committee should review the terms of reference and remit for the Committee and identify any areas for adjustment, in order to make recommendations to the Board of Directors or Members. The Committee should report on these matters to the next meeting of the Board of Directors.

### **Remit of the Audit Committee:**

The Committee shall ensure independent, objective and active monitoring of:

- internal control systems
- arrangements for risk management and control

To fulfil those objectives the Audit Committee shall:

1. Advise the Trust on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes;
2. Monitor risk, reviewing the register of key risks to which the Trust is exposed, examining the risk management policy, risk register and action plan against significant risks;
3. Advise the Trust on an appropriate programme of work to be delivered by independent assurance providers (internal audit/external audit/other). This programme of work should be derived from statutory requirements and the Audit & Risk Committee's regard of the key risks faced by the Academy Trust;
4. Advise the Members of the Trust on the appointment, reappointment, dismissal and remuneration of the Trusts external irregularity auditor and the internal auditor services;
5. Advise the Directors of the Trust on internal audit assignment reports and annual reports and on control issues included in the financial statements and external auditors management letters, and management's response to these;
6. Monitor, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports and the external auditor's management letter
7. Produce for inclusion in the Governance Statement of the Trustees Report an annual report, including the committee's advice on the effectiveness of the Trust's risk management control and governance processes. This report should incorporate any significant matters arising from the work of the internal audit service and the financial statements and external auditor to form part of the Statutory Accounts of the Trust and for filing in accordance with Companies Act requirements.
8. Ensure the Trust observes the requirements of the Academy Trusts Handbook, Academy Accounts Direction and the Funding Agreements.
9. Consider and advise the Trust on relevant reports to the National Audit Office, funding bodies and other ad hoc reports, and, where appropriate, management's response to these
10. Ensure that all allegations of fraud and irregularity are properly followed up including GDPR compliance and appropriate exculpation.
11. Ensure that additional services undertaken by the auditors is compatible with audit independence and objectivity
12. Monitor and evaluate the progress within Trust priorities relating to the committee's area of operation.

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