



## **Chosen Hill School Audit & Risk Committee Terms of Reference**

### **Purpose of the Committee**

- to maintain an oversight of the Academy Trust's financial, governance, risk management and internal control systems
- to report findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the trust's annual reporting requirements, as confirmed in the minutes presented to each FGB.

### **Extent of Delegation**

- the Audit and Risk Committee is a Committee of the Academy 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 audit, internal audit, 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.
- Any decisions that have wider strategic implications will be referred to the FGB and comply with the agreed scheme of delegation.

### **Membership**

- The Committee will consist of not less than three governors
- 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.
- the Chair of trustees should not be Chair of the Audit and Risk Committee.
- until otherwise determined by the Board of Trustees, a quorum shall consist of 3 members of the committee, 2 of which must not be staff members.
- at least one member of the Audit and Risk Committee should have recent or relevant accountancy, or audit assurance, experience.
- any Trustee may attend a meeting of the Audit and Risk Committee, including those who are not Members of the Audit and Risk Committee.

### **Tasks & Responsibilities**

- Advise the Board on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:

- the auditor's/scrutineer's sector expertise.
  - their understanding of the trust and its activities.
  - whether the audit process allows issues to be raised on a timely basis at the appropriate level.
  - the quality of auditor/scrutineer comments and recommendations in relation to key areas.
  - where relevant, the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers.
  - the auditor's/scrutineer's use of technology.
- Ensure there is co-ordination between internal audit/scrutiny and external audit 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.
  - Review pupil number estimates (that underpin revenue projections) termly.
  - To review the trust's insurance cover in compliance with its legal obligations.
  - 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 to the AGM of the Committee's conclusions on the auditors assessment to advise the Board of Trustees and Members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

#### **Internal Scrutiny**

- Take delegated responsibility on behalf of the Board of Trustees for examining and reviewing all systems and methods of control, 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 Academies Financial Handbook.
- Conduct a regular review of the risk register.
- Co-ordinate with other trust standing committees and link governors to agree an annual programme of internal scrutiny / audit. Such audits are to be objective and independent, covering systems, controls, transactions, and risks.
- Advise the trustees on the adequacy and effectiveness of the trust's systems of internal control, governance, and risk management processes.
- Consider the effectiveness and appropriateness of executive action following internal audit/internal scrutiny reviews. Subsequently, and learning from internal and experience, to advise the Board on any additional or alternative approaches that may be considered as more appropriate and/or effective.

#### **Timetable**

To meet at least three times per year and otherwise as required.

**Review**

The election of the committee Chair/Vice Chair and review of membership and terms of reference will be done at the first meeting of the Committee each year.

**Quorum**

The quorum shall be 3, two of which must not be staff members. In the case of an equality of votes, the Chair shall be entitled to a casting vote.