

St Chad's Risk and Audit Committee Terms of Reference

Constitution

The Board of Trustees (the **Trust Board**) of St Chad's Academy Trust (the **Academy Trust**) has established a committee of the Trust Board to be known as the Audit Committee (the **Committee**).

The Committee will report to the Trust Board.

Aims

- (i) To facilitate good communication between the Academy Trust and its external and internal auditors;
- (ii) To increase the credibility and objectivity of financial reporting;
- (iii) To strengthen the independence of the audit function;
- (iv) To improve the quality of the accounting and auditing functions;
- (v) To test the robustness of the Academy Trust's management of risk.

Membership

- (i) The Committee will be appointed by the Trust Board and, including the CEO of the Academy Trust, will comprise no more than five and no fewer than three members. A majority of the Committee will be Trustees;
- (ii) The Trust Board will appoint one of the members of the Committee as its chair (the **Chair**);
- (iii) A Clerk to the Committee will be appointed

Voting

The quorum for each meeting shall be one half of the members of the Committee rounded up. Decisions of the Committee shall be taken by a simple majority of those present and voting. On an equality of vote the Chair will have a casting vote.

Meetings

- (i) The Committee shall meet termly on such dates as shall be determined by the Committee from time to time and at such other time as the Clerk shall specify at the request of any member of the Committee;
- (ii) Meetings can be requested by the external or internal auditors if they consider one necessary;
- (iii) Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda shall be sent to each member of the Committee and any other person invited or required to attend no fewer than seven working days prior to the date of the meeting.

Authority

- (i) The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee;
- (ii) The Committee is authorised by the Trust Board to obtain independent legal or other professional advice and to secure the attendance of any person at any Committee meeting with relevant experience and expertise if it is considered necessary.

Duties

Financial and Internal Audit

- (i) To review the effectiveness of the financial and other internal control systems;
- (ii) To ensure that all significant losses have been properly investigated and that the internal and external auditors and where appropriate the relevant authorities have been informed;
- (iii) To oversee the Trust's policy on fraud and irregularity, including being notified of any action taken under that policy.

External Audit

- (i) To make recommendations to the Board on: the appointment and, if necessary, the dismissal of the External Auditor; the audit fee; and any non-audit services from the External Auditor;
- (ii) To guide the External Auditor on the nature and scope of the audit;
- (iii) To receive and consider the External Auditor's management letter in connection with the audit of the Trust's Annual Accounts and the management response;
- (iv) To consider elements of the annual financial statements in the presence of the External Auditor, including the auditor's formal opinion, the statement of the members' responsibilities and any corporate governance statement.

Internal Audit

- (i) To advise on the appointment of the Internal Auditor and, if necessary, on their resignation or dismissal;
- (ii) To receive and approve a rolling, forward Plan for the Internal Auditor;
- (iii) To receive and approve an Annual Plan of activity for the Internal Auditor;
- (iv) To receive and consider the final report of each internal audit assignment, activity or investigation undertaken on behalf of the Trust by the Internal Auditor;
- (v) To review the work of the Internal Auditor in conjunction with the receipt of an annual report prepared by the Internal Auditor, the report to include an opinion on the degree of assurance that can be taken from the system of control;
- (vi) To consider any internal audit matters not specifically covered above;
- (vii) To review central policies developed prior to being presented to the Trust Board.

Monitoring and Co-ordination of Internal and External Audit

- (i) To monitor the effectiveness of internal and external audit, including monitoring of any matters affecting their independence or objectivity;
- (i) To promote co-ordination between the internal and external auditors.

Reports of an Audit Nature

To receive and consider any reports of an audit nature prepared by OFSTED, Regulators and any other similar bodies.

Value for Money

To satisfy itself that adequate arrangements are in place to secure value for money.

Economy, Efficiency and Effectiveness

To assure itself satisfactory arrangements are in place to promote economy, efficiency and effectiveness.

Risk Management

To advise the Board on Risk Management by:

- (i) Ensuring familiarisation with the concept and requirements of risk management;
- (ii) Acting as a catalyst for risk management activity across the Trust;
- (iii) Ensuring appropriate audit work on risk management is performed;
- (iv) Collecting information on risks and risk management;
- (iv) Considering the Due Diligence documentation of schools joining the Academy Trust, making recommendations to the Board as appropriate.

Annual Report

To prepare an annual report for submission to the Board on the work of the Audit Committee. This will incorporate an opinion on the effectiveness of the internal control system and the pursuit of value for money, together with an assurance on risk management.

Review of Terms of Reference

The Board shall review these terms of reference at least every 2 years.