Horsforth School

Audit Risk and Finance Committee Terms of Reference

Terms of Reference approved by the Trustee Board 23.09.26

Composition

The Audit Risk and Finance Committee is a sub-committee of the Trustee Board and reports directly to the board.

Committee members shall be appointed by the Trustee Board and shall consist of at least five Trustees.

Staff employed by the Trust should not be members of the Audit Risk and Finance Committee but may attend to provide information and participate in discussions.

Meetings

The Audit Risk and Finance Committee shall meet not less than three times per academic year.

Quorum

A quorum shall be three and as per the Articles of Association "no vote on any matter shall be taken at a meeting of a committee of the Trustees unless the majority of members of the committee present are Trustees".

Clerking

The Trustee Board must appoint a clerk to the committee. The Clerk must not be the Headteacher.

Purpose of the Committee

The Audit Risk and Finance Committee oversees all financial systems, operational controls and risk management processes that may have an impact on the trust's ability to meet its objectives. The Audit Risk and Finance Committee ensures that:

- effective audit functions are in place (both external and internal)
- adequate risk management processes are in place
- an adequate internal control environment is established
- effective financial scrutiny is undertaken to ensure regularity, propriety and value for money

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1. Review the financial performance of the trust to ensure that the trust's finances are being properly managed and value for money obtained
2. Oversee and approve the trust's programme of internal scrutiny
3. Ensure that a register of risks is maintained and that risks are being addressed appropriately and report to the Board once each term on the management of risks

4. Report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks
5. Agree a programme of work annually to deliver internal scrutiny that provides coverage across the year, agree who will perform the work and consider their reports and the trust's progress in addressing recommendations
6. Review the ratings and responses on the risk register to inform the programme of work
7. Review the external auditor's plan each year
8. Review the annual report and accounts
9. Review the auditor's findings and actions taken by the trust's managers in response to those findings
10. Assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering – considerations may include:
    - The auditor'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 comments and recommendations in relation to key areas
    - The personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
    - The auditor's use of technology
11. Report the committee's conclusions annually to the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration