



Audit Risk and Finance Committee Terms of Reference

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 four 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

Terms of Reference

- To consider all aspects of the external audit, the nature and scope of the statutory audit, the recommendation of audited statements to the board, and the discussion of issues raised in the external auditor’s management letter.
- To recommend the appointment of the external auditor to the Members
- To ensure the financial statements are true and fair and conform to accounting standards, accounting policies are appropriate and applied consistently.
- To review the performance reported in the Trustees’ Annual Report and ensure that this is a true reflection of the trust’s performance.
- To review all reports prepared by the external auditor and agree the programme of work proposed by management to address issues raised.

- To review the process for awarding non-audit work to the external audit firm and ensure that potential conflicts of interest are managed in the best interests of the trust.
- To review the effectiveness of the body's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner.
- To ensure that the body's internal audit service meets, or exceeds, the standards specified in the Academies Financial Handbook, complies in all other respects with these guidelines and meets agreed levels of service.
- To agree a programme of work to provide its assurance on financial controls and risks.
- To monitor the assessment of risks to which the organisation is exposed, to ensure this is kept up to date and to ensure that management are charged with implementing controls to mitigate these risks.
- To ensure that the risk management processes are adopted across the whole of the trust.
- To review the operation of internal and external audit and the adequacy of the level of assurance gained from the combined activities of both.
- To consider any other matters where requested to do so by the Trustee Board.
- To report at least once a year to the Trustee Board on the discharge of the above duties.