



East Midlands Education Trust Terms of Reference of the Audit & Risk Committee

Membership

The Board shall appoint the Committee from the non-executive trustees of the Trust and may co-opt persons to the Committee who are not Trustees. The Committee shall consist of a minimum of 2 and a maximum of 4 members (at least 2 shall be Trustees and at least 1 having relevant skills and expertise). No member of staff of the East Midlands Education Trust shall be eligible for membership. The chair of trustees can be a member provided he/she is not the chair of this sub-committee.

No vote on any matter shall be taken at a meeting of the Committee unless the majority of members of the Committee present are Trustees.

The Chair of the Committee will normally be a Trustee and shall be appointed by the Committee annually.

In accordance with the Articles of Association, the establishment, terms of reference and constitution and membership of this committee shall be reviewed on an annual basis.

Attendance and frequency of meetings

The Chair of the Trust, Accounting Officer, CEO, FD or other persons shall attend meetings at the invitation of the Committee. The committee shall invite the External auditors to attend the Autumn Term meeting each year.

Meetings shall be held no less than 3 times a year. Additional meetings may be requested by the committee chair or any two members.

The clerk to the trustees will keep appropriate records of the proceedings and ensure the committee meeting minutes are circulated to the Board.

Duties

Financial reporting

To review and where necessary to challenge the actions and judgements of the Trust in relation to financial reporting, accounting policies and practices, budgets, unusual transactions, disclosures, adjustments resulting from audits and compliance with statutory duties.

Internal control and risk management

To monitor and review the integrity of the Trust's internal financial controls, including procedures to detect and prevent fraud and impropriety and procedures in place to identify, assess and manage risk.

Internal Audit

- To appoint the Internal Auditors, and to determine the timetable and programme of work that the Internal auditors follow.
- To receive reports and ensure these are shared with appropriate Trustees, governors and staff and to review and monitor responses to findings.

External Audit

- To recommend the appointment, re-appointment or removal of the external auditor and oversee the Trust's relations with them.
- To discuss with the external auditor, before the audit commences, the nature and scope of the audit.
- To review with the external auditor, the findings of their work, including any major issues arising and their resolution, key accounting judgements and levels of errors identified during the audit.
- To assess the effectiveness of the audit process at the end of its cycle.
- To oversee the Trust's need for impartiality by the external auditor with reference to their non-audit services, to ensure objectivity is not impaired through their delivery.

Authority

The Committee is authorised by the Board to:

- Investigate any activity within its terms of reference.
- Seek any information it requires from the internal auditors, external auditors, trustees, governors, committees and academy employees, plus relevant information from sub-contractors and other third parties.
- Obtain external professional advice.
- The Board must not add to these terms of reference responsibilities that require the Audit Committee to adopt an executive role, or its members to offer professional advice to the Board.
- Audit Committee should seek formal professional opinions from the internal or external auditors or other professional advisers to the Board. Advice should only be given in Committee members' capacity as Trustees and co-optees and only within their terms of reference.

An extract from the Academies Financial Handbook 2020 on internal scrutiny and transparency can be found at <https://www.gov.uk/guidance/academies-financial-handbook/part-3-internal-scrutiny>

Reviewed: Autumn 2021
Next review: Autumn 2022