



Audit and Risk Committee Terms of Reference

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The Audit & Risk Committee's remit is to advise the Board and Accounting Officer (the CEO) regarding the adequacy and effectiveness of the Trust's internal controls, risk management, governance and value for money, systems and frameworks. The Committee also advises the Board regarding the appointment of auditors and the planned audit approach, as well as considering reports from the internal and external auditors and other bodies and ensuring that actions are taken where required.

1 Introduction

The Academies Finance Handbook September 2020 states that academy trusts establish an audit and risk committee, appointed by the board. The committee must:

- Direct the trust's programme of internal scrutiny.
- Ensure that risks are being addressed appropriately through internal security.
- Report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

2 Constitution

2.1 The Rose Learning Trust (RLT) Board of Directors has resolved to establish an Audit and Risk Committee to advise the Board on matters relating to the Trust's finance and audit arrangements, systems of internal control, risk management and to advise and aid the Board to ensure sound management of the Trusts finances and resources, including proper planning, monitoring, and probity.

2.2 The Audit and Risk Committee is responsible to the Trust Board.

2.3 The Committee's Terms of Reference are agreed and adopted by the Board and can only be amended with the approval of the Board.

3 Membership

3.1 The Committee will consist of 3 directors who will be appointed by the Board. At least one member of the Committee should have a relevant financial or audit experience. The Chair of the Trust Board cannot be the Chair of the Audit and Risk Committee

3.2 The members of the Committee shall hold office from the date of their appointment until resignation or omission from membership on subsequent consideration by the Board. The Board to review Committee membership on an annual basis at the start of the academic year.

3.3 The Committee will appoint a Chair and Vice Chair

3.4 The Chief Financial Officer and Chief Projects Offices of the Trust will be in attendance but will have no voting rights.

3.5 Any other member of the staff or external professionals will be invited to attend the relevant meetings as required.

4 Meetings

- 4.1 The Committee will meet at least once per term (3 times per academic year) in advance of the Trust Board meetings
- 4.2 The quorum shall be 2 Trustees.
- 4.3 The administration of the meeting will be managed by the Clerk to the Trust Board. Agenda and papers will be circulated to members of the Committee 7 days in advance of the meeting.
- 4.4 In addition to voting in person at a meeting Trustees are able to vote on matters via e-mail to the Clerk to the Trustees (ahead of the meeting) or via video/telephone conferencing during the meeting.

5 Authority

- 5.1 The Committee will report to the Trust Board on any decisions taken in accordance with the Scheme of Delegation.
- 5.2 The Committee is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
- 5.3 The Committee is authorised to obtain any legal and professional advice it considers necessary, normally in consultation with the Chair of the Trust Board

6 Main Duties

The main duties of the Audit and Risk Committee are as follows: -

- 6.1 Fulfil its responsibilities as set out in these Terms of Reference in line with the Trust's Funding Agreement, Articles of Association, Scheme of Delegation, Academies Financial Handbook, Academies Accounts Direction, and the Trust's Financial Procedures Manual.
- 6.2 Ensure sound management of the Trust's finances and resources including proper planning, monitoring, probity, and value for money.
- 6.3 Advises the Board on the adequacy and effectiveness of the Trust's governance, risk management, internal control, and value for money systems and frameworks.
- 6.4 Advise the Board on the appointment, re-appointment, dismissal, and remuneration of the external auditor.
- 6.5 Advise the Board on the need for and then, where appropriate, the appointment, re-appointment, dismissal and remuneration of an internal auditor or other assurance provider

7 Detailed Responsibilities – Finance

The Audit and Risk Committee shall consider and advise the Trust Board on the following specific matters: -

- 7.1 The monthly management accounts of the Trust and its Academies and subsidiaries, including any proposed actions required to address any adverse variances from budget plan.
- 7.2 The revised forecast of estimated income and expenditure for the full year for the Trust, its Academies, and subsidiaries, including any proposed actions required to address any adverse variances from budget plan.
- 7.3 The setting of the annual budget and 3-year plan for the Trust, its Academies, and subsidiaries in advance of submission to the Education and Skills Funding Agency (ESFA)
- 7.4 The annual audited financial statements of the Trust
- 7.5 Monitoring and updating of financial policies and financial regulations of the Trust, its Academies, and subsidiaries.
- 7.6 To consider any other matters that can have a financial impact on the Trust, its Academies, and subsidiaries.

8 Detailed Responsibilities – Audit

The Audit and Risk Committee shall consider and advise the Trust Board on the following specific matters: -

- 8.1 Recommend to the Board the appointment of the external auditors of the Trust.
- 8.2 Review the external auditor's letter of engagement and annual planning documents and approve the planned audit approach.
- 8.3 Review all reports received from the external auditor (e.g., annual reports, management letter) and consider any issues raised and the associated management response and actions plans. Reports should be referred to the Board for information or action.
- 8.4 Recommend to the Board the appointment or re-appointment of the internal auditors of the Trust.
- 8.5 Review the internal auditors planned schedule of work for the year and approve the planned audit approach.
- 8.6 Review all reports received from the internal auditor (e.g., annual reports, internal control findings) and consider any issues raised and the associated management response and action plans. Reports should be referred to the Board for information or action.

9 Detailed Responsibilities – Risk Management

The Audit and Risk Committee shall consider and advise the Trust Board on the following specific matters:

- 9.1 Annual review of the Trust’s risk management systems including arrangements for risk management, control, and governance process.
- 9.2 Review the adequacy and robustness of the Trust’s Risk Register
- 9.3 Review of the Trust’s Scheme of Delegation and recommending any changes to the Board for approval.
- 9.4 Annual review of all insurance arrangements
- 9.5 Ensuring any new or increased risks or significant failure of risk management control measures are considered and reported to the Committee termly

10 Asset Management

- 10.1 To receive reports on the relevant management of assets including premises and their security.
- 10.2 To confirm that an asset recording system is in place, including an inventory and fixed asset register for each Academy.

11 Health and Safety

- 11.1 To receive the relevant H&S reports and advise, as necessary.
- 11.2 To monitor compliance with the Academies Health and Safety at Work Act 1974

12 GDPR and Cyber Security

- 12.1 To provide assurance to the Board that the organisation is properly managing its cyber risk including appropriate risk mitigation strategies. This does not necessitate understanding the full detail of the technology involved; the Committee can confirm that the appropriate framework is in place and that continuous monitoring and improvement initiatives are adopted and sustained.
- 12.1.2 To receive reports of notifiable breaches from the Data Protection Officer and to ensure compliance with data protection legislation

13 Detailed Responsibilities – Other

The Audit and Risk Committee shall consider and advise the Trust Board on the following specific matters: -

- 13.1 Review of other significant financial or related reports or submissions that impact on the

Trust, its Academies and its subsidiaries and are likely to involve the Department for Education, Education Skills and Funding Agency, local authorities, Companies House, HMRC or similar regulatory bodies.

13.2 Recommending to the Board any changes to Trust structure including the acquisition of new Academies and setting up of new trading subsidiaries. Any recommendation to include a review of risk and due diligence processes.

13.3 Oversight and approval of capital projects including:

- Investment in ICT infrastructure
- Investment in buildings
- Investment in other key assets