

East Midlands Academy Trust

Audit & Risk Committee Terms of Reference 2023/2024

'Every child deserves to be the best they can be'

Scope: East Midlands Academy Trust	
Version: V4	Filename: EMAT Audit & Risk Committee Terms of Reference
Approval: Sept 2023	Next Review: July 2024 <i>This ToR will be reviewed by the Trust Board annually</i>
Owner: East Midlands Academy Trust Board of Trustees	Union Status: Not Applicable

RevisionDate	Revisor	Description of Revision
Sept 2023 V4	A Rigler	No change
July 2022 – V3	M Juan	Update to include the choice to conduct virtual meeting to ensure quorum
July 2021 – V2	M Juan	Terms of reference review – No Changes
May 2020 – v1	M Juan	New EMAT Audit & Risk Committee Terms of Reference

EMAT Audit & Risk Committee ToR

1. Constitution

- 1.1. The East Midlands Academy Trust (EMAT) Board of Directors has resolved to establish an Audit & Risk Committee to advise the Board on matters relating to the adequacy and effectiveness of the Trust's risk management.
- 1.2. The Audit & Risk Committee is responsible to the Trust Board.
- 1.3. The Committee's Terms of Reference are adopted by the Board and may only be amended with the approval of the Board.
- 1.4. The Committee reports directly to the Trust Board of Directors which receives minutes, reports and recommendations from the Committee

2. Membership

- 2.1. The Committee membership will be determined by the Trust Board and shall have a minimum of three members and a maximum of five members. A majority of Committee members must be Directors of the Trust Board.
- 2.2. The Committee is authorised to obtain any outside legal or independent professional advice it considers necessary. Subject to paragraph 2.3, the Committee shall appoint at the first meeting of each academic year a Chair to conduct the business of this committee.
- 2.3. In the absence of the Chair, no person may act as Chair under paragraph 2.2 unless they are also a member of the Trust Board.
- 2.4. All members have equal voting rights. In the event of an equal division of votes, the Chair shall have a second or casting vote. However, no vote on any matter shall be taken at a meeting of a committee of the governors unless the majority of members of the committee present are Directors of the Trust Board.
- 2.5. The CEO and members of the School Improvement Team will be ex officio members of the Audit & Risk Committee.
- 2.6. The Committee may invite attendance at meetings from persons who are not Directors or Committee members to assist or advise on a particular matter or range of issues. Such persons may speak with the permission of the Chair but shall not be entitled to vote.
- 2.7. The Committee will self-assess its performance against these Terms of Reference on an annual basis and will also review the Terms of Reference, submitting any proposed changes to the Board for approval.

- 2.8 The members of the Committee shall hold office from the date of their appointment until the resignation or their omission from membership of the Committee on subsequent consideration by the Board (whichever shall first happen).
- 2.9 Administrative support will be provided by the Clerk to the Board
- 2.10 The Audit & Risk Committee will meet at least 3 times per academic year. The Chair or any two members may call a meeting
- 2.11 The Audit & Risk Committee reserves the right to engage the services of an independent auditor to attend the committee meetings with the sole aim to provide professional advice.

3. Quorum

- 3.1 The quorum for a meeting of the Audit & Risk Committee shall be any 3 members.
- 3.2. If necessary, meetings might be conducted virtually to ensure quorum.

4. Main Duties and Responsibilities

4.1 External Audit

- 4.1.1 To consider the appointment of the external auditor and assess independence of the external auditor, ensuring that key audit personnel are rotated at appropriate intervals.
- 4.1.2 To recommend the audit fees to the Board and pre-approve any fees in excess of £10,000 in respect of non-audit services provided by the external auditor and to ensure that the provision of non-audit services does not impair the external auditors' independence or objectivity.
- 4.1.3 To oversee the process for selecting the external auditor and make appropriate recommendations through the Board to the Members of the Trust to consider at any general meeting where the accounts are laid before members.
- 4.1.4 To discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor receives the fullest co-operation.
- 4.1.5 To review the external auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
- 4.1.6 To review the performance of the external auditor on an annual basis.
- 4.1.7 To recommend to the Members, through the Board of Trustees, the appointment/re-appointment of the external auditor.
- 4.1.8 To review and consider the circumstances surrounding any resignation or dismissal of the

external auditor.

4.2 Internal Scrutiny

- 4.2.1 To set and review the internal audit programme and ensure that the internal audit function is adequately resourced and has appropriate standing within the Trust.
- 4.2.2 To review the reports and recommendations of the internal audit, together with the appropriateness of management's response.
- 4.2.3 To monitor the implementation of action agreed by management in response to reports from the external auditor and internal audits.
- 4.2.4 Annually, to agree a programme of work delivering internal scrutiny across the academic year.
- 4.2.5 To monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Academy Trust, drawing any matters of concern to the attention of the Trust Board.
- 4.2.6 To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
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- 4.2.8 To ensure information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims (for both revenue and capital grants) completed by the trust and (for MATs) by constituent academies, is accurate and in compliance with funding criteria.

4.3 Risk Assurance

- 4.3.1 At least annually, to undertake a risk mapping exercise to inform the Trust's approach to risk management, internal scrutiny and internal financial and non-financial controls.
- 4.3.2 To review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.
- 4.3.3 To review the adequacy and robustness of the Trust's strategic risk register.
- 4.3.4 To ensure that risk assurance measures include oversight of risks at constituent academies.

- 4.3.4 To keep under review the adequacy and effectiveness of the Trust’s governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, internal audit, the external auditor and any other relevant independent assurances or reports (e.g. from the ESFA).
- 4.3.5 To review all risk and control related disclosure statements, in particular the Trust’s annual “Statement on Internal Control”, together with any associated reports and opinions from management, the external auditor and Responsible Officer, prior to endorsement by the Trust Board.

5. General

- 5.1 To notify promptly the Trust Board of all financial matters of which the Committee has knowledge and which may materially affect the current or future position of the Academy Trust.
- 5.2 To advise generally on the provision of resources and services to the Academy Trust.
- 5.3 To keep under review the Trust’s financial management and reporting arrangements, providing constructive challenge to the actions and judgements of the Executive in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Board, paying particular attention to:
- Critical accounting policies and practices, and any changes in them
 - Decisions requiring a major element of judgement
 - The extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed
 - The clarity and transparency of disclosures
 - Significant adjustments resulting from the audit
 - The going concern assumption
 - Compliance with accounting standards
 - Compliance with DfE and legal requirements.
- 5.4 To receive reports of notifiable breaches from the Data Protection Officer and to ensure compliance with data protection legislation.
- 5.5 To review or investigate any other matters referred to the Finance, Risk & Audit Committee by the Board.
- 5.6 To draw any significant recommendations and matters of concern to the attention of the Board.

- 5.7 To review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

6. Policies

- 6.1 Review and approval of policies delegated by the Trust Board
- 6.2 To receive reports on the outcome of investigations of suspected or alleged impropriety.
- 6.3 To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements. In particular, the committee will consider and approve the delegation of financial and other policies and will review, approve, amend or reject policies in accordance with the policy framework.
- 6.4 To ensure that any significant losses are investigated and reported to the ESFA where required.
- 6.5 To review any recommendations made by the Secretary of State for Education for improving the financial management of the Academies.
- 6.6 To approve and keep under review the Academy Trust's investment policy and reserves policy.
- 6.7 To review the Trust's policy and procedures for handling allegations from whistleblowers and allegations of fraud, bribery and corruption

Statutory policies/documents

- Data protection
- Protection of biometric information of children in schools and college

Other Policies

- Whistle-blowing
- Asset Management

Agenda items:

Period	Item
November	<ul style="list-style-type: none"> • Statutory Accounts • Sign off Auditor's Letter / Letter of representation • Agree Internal Audit programme of work
April	<ul style="list-style-type: none"> • Review Internal Audit • Review Risk Register
July	<ul style="list-style-type: none"> • External Audit Report • Internal Audit Report