APPENDIX D: TERMS OF REFERENCE OF AUDIT AND RISK COMMITTEE

Version Control

1	03/09/18	Initial draft by Tim Howes
2	12/10/18	Board approved version reflecting the need for a majority of Trustees
3	16/07/21	Trust Board approves updates
4	13/12/24	Trust Board approved updates to clarify voting permissions of trustees attending the committee who are not members. Provision for attendance and voting by the Chair or Vice Chair when attending to support the quorum.
5	5/10/2025	Updated terminology. Query whether pension funds performance remains with A&R or is passed to F&E.

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In accordance with Articles 105 and 137 of the Articles of Association, the Board of Trustees has established an Audit and Risk Committee. The Board of Trustees delegates authority to the Audit and Risk Committee to act in accordance with the approved Terms of Reference as stated below.

The Terms of Reference of the Trust's various committees, along with the Articles, the Scheme of Delegation and the Trust's policies issued from time to time form the framework by which the Trust is governed and managed, and in particular:

- how the Trustees ensure compliance with the various statutory and regulatory requirements placed upon them
- the relationship between the Trustees, the Local Governance Committees, the Executive Team, and (in the case of Church Academies) the local Diocese
- how the Trustees, local governors and the executive team work together effectively

These Terms of Reference may be amended at any time by decision of the Trustees.

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PURPOSE
1. monitor and assess internal controls to ensure that the Trust as a whole is operating at appropriate levels of risk.
2. take responsibility for external and internal audit matters, oversee the work programme and performance quality of internal and external audit services.
3. oversee a regular process of review and renewal of the external audit contract; establishing a process of tendering for the service and recommending a suitable appointment to the Board of Trustees
4. review the audited annual financial statements before recommendation to the Board of Trustees for approval and presentation to the Trust Members at the AGM.
5. ensure that the Trust has appropriate internal audit arrangements in place and approve the scope and/or limitations of such arrangements.
6. monitor the completion of management actions in response to internal audit to obtain assurance that recommendations are implemented.
7. support the Board of Trustees in ensuring that a framework is established and maintained for the identification and management of risk.
8. advise the Board of Trustees where action is required to avoid adversely affecting the ability of the Trust to deliver its strategic objectives or ensure regulatory compliance.
9. ensure that appropriate business continuity plans are in place and tested appropriately.
10. ensure that the Trust has adequate insurance or risk protection arrangements in place to comply with statutory requirements and to protect its assets.
11. ensure that the Trust has effective policy and arrangements in place for the management of health & safety and compliance

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12. ensure that the Trust has effective policy and arrangements in place for the safeguarding of children
13. receive reports from management on all cases of fraud, attempted fraud or other irregularities, including any whistle blowing and consider whether appropriate action has been taken and that internal controls are satisfactory.
14. monitor the Trust's compliance with data protection regulations.
15. ensure a suitable freedom of information publication scheme is in place that is compliant with the Freedom Information Act 2000
16. To monitor the performance of the Trust's pension schemes and report to Trustees the outcomes of any actuarial valuation.
    Should this remain with A&R or be passed to F&E?

MEMBERSHIP

1. Membership of the Audit and Risk Committee will comprise five committee members, including a majority of trustees.
2. In appointing the Committee membership the Board will ensure that the Committee has the right balance of skills, knowledge and experience overall to fulfil its remit.
3. The Chief Operating Officer will be the lead professional for the Committee.
4. The chair of the Audit and Risk Committee will be a trustee and will be appointed as the Committee chair by the Board, taking into account the skills and experiences required for the position and the balance of chairing responsibilities within the Trust. The Chair of the Trust Board should not be Chair of the Audit and Risk Committee. The Vice-Chair shall be appointed by the Audit and Risk Committee.

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5. The Chief Executive Officer and Chair of the Trust Board have the discretion to attend any Audit and Risk Committee meeting, subject to established conflict of interest protocols.
6. Employees of the Trust should not be Audit and Risk Committee members.

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CONSTITUTION

1. Frequency of meetings:

a. There will be at least four meetings of the Audit and Risk Committee per academic year.
b. Additional ad hoc meetings be arranged as required.
c. Time limited ad hoc working groups may be established as required.
d. Such working groups should have clear terms of reference to clarify their purpose and reporting lines to the Audit and Risk Committee. The creation of any working group must be reported to the Board or relevant sub-committee to ensure consistent working across the Trust.

2. Quorum and Voting:

a. The quorum shall be three committee members, including a majority of trustees.
b. For every matter that requires a decision at an Audit and Risk Committee meeting, the Chair should encourage discussion of the pros and cons of the various options with a view to reaching a consensus. Where, after adequate discussion, the meeting has reached a clear consensus, the Chair should summarise the position which must be formally recorded as a decision in the minutes. Where a consensus is not possible or not clear, the Committee may wish to defer the matter for further investigation or reach a decision through a formal vote, with the Chair having the casting vote if necessary. For matters of major significance or where some individuals could be influenced by others, consideration should be given to conducting a secret vote. The outcome of any vote must be recorded in the minutes.

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c. Where a meeting is anticipated to be or becomes inquorate, the clerk may ask the Chair or Vice Chair of the Trust Board to attend and vote in order to restore the quorum.

d. When other trustees are invited to join a committee meeting, they may contribute towards the quorum and vote, with the exception of the Chief Executive Officer, who may attend, but cannot vote.

3. Terms of Office:

a. The terms of office of the members shall be as follows:

i. Trustee Chair - appointed annually by the Trust Board

ii. Trustee/ LGC members: four years, renewable as agreed between the Board and the member, subject always to the needs of the Trust and to the member's term of office as a Trustee/Governor.

4. Clerk:

a. The Trust's Chief Operating Officer shall ensure that clerking support is available for each meeting.

5. Integrity and Openness:

a. Committee members will comply with the Trust's Code of Conduct and policy on conflicts of interest.