

### AUDIT COMMITTEE TERMS OF REFERENCE<sup>1</sup>

<b>1</b>	<b>Responsibilities</b>	
	1.1	To maintain oversight of the trust's governance, risk management, internal control and value for money framework.
	1.2	The Audit Committee has no executive powers or operational duties
<b>2</b>	<b>Authority</b>	
	2.1	The Audit Committee is a subcommittee of the trust board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
	2.2	It is authorised to request any information it requires from any employee, external audit, internal audit or other assurance provider.
	2.3	The Audit Committee is authorised to obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board
<b>3</b>	<b>Membership</b>	
	3.1	The membership of the Committee will comprise a minimum of 3 persons and should include the Chair, Vice Chair and lead Finance Trustee and representation from both primary and secondary schools. The trust may co-opt appropriate individuals with relevant experience on to the Committee. At least one member of the audit committee should have recent or relevant accountancy, or audit assurance, experience.
	3.2	Employees of the trust should not be members of the audit committee.
	3.3	Any trustee may attend a meeting of the audit committee, including those who are not members of the audit committee. Principals may also attend. The chief executive, accounting officer and finance staff may also attend at meetings.
	3.4	Until otherwise determined by the board of trustees, a quorum shall consist of 2 members
	3.5	The Trust Chair should not be chair of the audit committee
<b>4</b>	<b>Reporting</b>	
	4.1	The Audit Committee will report back regularly in Terms 2, 4 and 6.
<b>5</b>	<b>Terms of Reference</b>	
	5.1	The Audit Committee will take delegated responsibility on behalf of the board of trustees for ensuring that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with all aspects of the law, relevant to

<sup>1</sup> Source: previous terms of reference, Academies Financial Handbook, W Giles Accountants

		the EFSA, and the overall requirements for Audit Committees, as specified in the Academies Financial Handbook:
	5.2	Agree an annual programme of work to deliver internal scrutiny to check financial systems, controls, transactions and risk for the trust and all academies within
	5.3	Review the risk register to inform the programme of work, ensuring checks are modified as appropriate each year
	5.4	Agree who will perform the work
	5.5	Person or organisation performing the internal scrutiny to provide a short annual summary to the audit committee of the areas reviewed, key findings, recommendations and conclusions to help the audit committee to consider actions and assess year on year progress
	5.6	Consider the internal audit reports and monitor progress in addressing recommendations
	5.7	Consider outputs from other third parties such as ESFA, financial management and governance reviews, funding audits and investigations
	5.8	Have access to the external auditor as well as those carrying out the internal scrutiny and consider their qualifications, quality and independence
	5.9	Ensure the internal scrutiny is independent and objective and not performed by the trust's accounting officer, chief financial officer or members of the finance team
	5.10	Advise the Trust Board on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit);
	5.11	To ensure there is co-ordination between responsible manager, internal audit, external audit and any other review bodies that have been set up
	5.12	Ensure that additional services undertaken by the auditors is compatible with the audit independence and objectivity
	5.13	Consider the reports of the auditors and, when appropriate, advise the Trust Board of material control issues
	5.14	To provide minutes of all Audit Committee meetings for review at meetings of the Board of Trustees
<b>6</b>	<b>Appeals against pooled funding</b>	
	6.1	The Academies Financial Handbook states: "The MAT <b>must</b> consider the funding needs and allocations of each constituent academy, and <b>must</b> have an appeals mechanism. If a constituent academy's principal feels the academy has been unfairly treated, they should appeal to the trust. If the grievance is not resolved, they can appeal to the Secretary of State, via ESFA, whose decision will be final and who can dis-apply the pooling provisions (Section 5.30)
	6.2	The Trust appeal process is: <ul style="list-style-type: none"> <li>The constituent academies have 10 working days from the issuing of a settlement statement from the Trust to the academy to appeal</li> </ul>

		<ul style="list-style-type: none"><li>• Appeal should be made in writing directly to the Chief Executive Officer (CEO)</li><li>• The CEO will consider the appeal and notify the academy of their decision within 10 working days of receipt of the written appeal</li></ul>
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