Audit and Risk Committee

Terms of Reference

1 Objective of the Audit and Risk Committee

1.1 The Audit and Risk Committee is a Committee of the Fylde Coast Academy Trust (FCAT) Board. The purpose of the Committee is to maintain oversight of FCAT's governance, risk management, internal control and value for money framework.

2 Committee Membership

2.1 Membership of the committee shall be agreed on an annual basis at the first meeting of Trustees in the academic year with a minimum of three members and a maximum of five. At least three members must be Trustees and the Chair of the Committee will be appointed from that number.

2.2 The Chair must not be the Chair of the Trust or Chair of the Resources Committee.

2.3 Chair's term of office shall be one year as this appointment is voted upon annually (see 2.1 above).

2.4 The Trustees may co-opt advisors to the committee to provide additional support and areas of expertise where appropriate.

2.5 The accounting officer and chief operating officer will be invited to attend meetings to provide information and participate in discussions, but should not be members of it.

2.6 Internal and External Auditors and/or Trust staff may be invited as appropriate at the direction of the Committee.

3 Quorum and Voting

3.1 It is generally expected and encouraged that decision making by the Audit Committee should be by consensus. However, it is recognised that there will be occasions where a formal vote is necessary. Trustee Members of the Committee shall have one vote each.

3.2 This is subject to any member of the Committee having an interest, loyalty or duty that conflicts, or is reasonably likely to conflict, with the interests of the Committee. In such cases the Committee member must declare his or her interest for the particular item and must not vote on or be present for the vote on that item.

3.3 The quorum for the Committee shall be two non-conflicted members. Where a split vote is reached the matter will be referred to the Trust Board for resolution.

4 Delegated Power

4.1 The Committee is authorised to invite persons to assist or advise on a particular matter or range of issues to attend meetings.

4.2 In the event of a request for a decision to be made between meetings, the CFO will determine whether the decision could not reasonably wait for the next scheduled Audit Committee or Trust Board meeting. This decision will be based on the overall impact to the safe and legal operation of the Academy / Trust and approved by the Chair of the Committee in consultation with the Chair of the Trust board and facilitated by the Governance Professional.

4.3 Full details of all approval actions, including an explanation as to why the decision could not reasonably wait, must be minuted, explained and ratified at the earliest opportunity by either the Committee or the Trust Board.

4.4 The Committee is authorised to investigate any activity within its terms of reference, or specifically delegated to it, by the Board including to (a) request any information it requires from any employee or other assurance provider; or (b) obtain outside legal or independent professional advice it considers necessary with approval of the Trust Board.

5 Meetings

5.1 The Audit and Risk Committee will meet three times a year or more frequently as circumstances require. The Committee Chair may convene a meeting at other times if considered necessary or upon the reasonable request of any Committee member. No less than 7 days' notice will be provided for extraordinary meetings.

5.2 Meetings will be scheduled by the Governance Professional with advice from the Chief Operating Officer to align with audit schedules and financial deadlines.

5.3 The Governance Professional shall be appointed by Trustees and shall attend and service Committee meetings, including circulating the agenda and papers before each meeting, and preparing the minutes.

5.4 The Chair will set the agenda for the Committee meetings in conjunction with the Governance Professional and relevant staff.

5.4 Meetings will be chaired by the Chair of the Committee. In the absence of the Chair, the Committee will elect a temporary replacement from among the Trustee members present at the Committee meeting.

5.5 In the absence of the Governance Professional the Committee will approve a replacement for the meeting.

5.6 The Governance Professional will circulate an agenda and papers at least one week before each meeting.

5.7 Attendance at each meeting, matters discussed and recommendations for decisions will be recorded. The written minutes of each meeting will be submitted to the next meeting of the Committee and to the Trust Board.

6 Reporting

6.1 The Committee will review its constitution and terms of reference annually and recommend any changes necessary to the FCAT Board.

7 Key Responsibilities

7.1 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 the ESFA, and the overall requirements for Audit Committees, as specified in the Academies Financial Handbook:

7.2 To appoint and oversee the internal audit process for checking financial systems, controls, transactions and risks.

7.3 To consider the appropriateness of executive action following internal audit reviews and to advise senior management on any additional or alternative steps to be taken

7.4 To achieve internal scrutiny that delivers objective and independent assurance.

7.5 Advise the trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and governance processes, securing economy, efficiency and effectiveness (value for money)

7.6 To review the findings of the external auditors and agree any action plan arising from it

7.7 Consider the reports of the auditors and, when appropriate, advise the Trust Board of material control issues.

7.8 Review the Trust's fraud response plan and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.

7.9 To provide minutes of all Audit Committee meetings for review at meetings of the Board of Trustees

8. Terms of Reference

8.1 The committee's terms of reference will be reviewed annually at the first Trust Board meeting of the academic year and any proposed changes approved. Any additional changes during the year must be referred to the Trust Board for approval as per the Scheme of Delegation.

Approved by FCAT Trustees on Tuesday 12th September 2023