

Terms of Reference for the Audit and Risk Committee
of the Board of Trustees of United Schools Trust

Review date: September 2021
Membership change: January 2021

The following terms of reference for the audit and risk committee were agreed by the Trust Board on 14 September 2020. Committee members are: Charlotte Vicary-Ward (Chair), David Barnett, Sue Clarke and Suzannah Wharf

Update: Sue Clarke resigned as trustee on 12 January 2021. This does not affect Membership and quorum below.

Constitution

The Trust Board ("the Board") has resolved to establish an Audit Committee in accordance with the provisions of Article 6 of the Articles of Association to advise the Board on matters relating to the Corporation's audit arrangements and systems of internal control. This Committee will be subject to the provisions of the Standing Orders of the Corporation and its Committees (to which specific reference should be made) and shall operate in accordance with any requirements of the Education Funding Agency and any other national funding bodies. It is responsible to the Board.

Authority

The Committee is authorised by the Board to:

- i. investigate any activity within its terms of reference.
- ii. seek any information it requires from the internal audit service, the financial statements auditor, Trustees, Committees and trust employees, plus relevant information from subcontractors and other third parties.
- iii. obtain external professional advice.

NB. The Board must not add to these terms of reference responsibilities that require the Audit Committee to adopt an executive role, or its members to offer professional advice to the Board. The Audit Committee should seek formal professional opinions from the internal audit service, financial statements auditor or other professional advisers to the Board. Advice should only be given in Committee members' capacity as trustees and co-optees and only within their terms of reference.

Membership and quorum

The Board may co-opt persons to the Committee who are not Trustees. The Committee shall consist of a minimum of 3 and a maximum of 6 members (of whom at least two shall be Trustees and at least one of whom shall have the relevant skills and expertise). The Chair of the Board, the Principal, Staff Trustee shall not be eligible for membership. The Committee may include employees of the Academy (other than senior postholders and those with executive responsibilities in the Academy at senior level). 50% of members, rounded up represent a quorum, provided that there are a majority of Board members present.

Chairmanship

The Chair of the Committee shall be appointed by the Board and will normally be a Trustee to allow effective feedback to the Board. If the Chair is absent from a meeting, the members shall choose one of their number to act as Chair for that meeting.

Meetings

- i. The Committee shall meet as necessary but normally at least once per term. The Chair or any two members may call a meeting.
- ii. The meetings shall be timely with the work of the Academy's internal audit service and the financial statements auditor.
- iii. Non-members may be invited to attend meetings.
- iv. Other Board members shall not have the right to attend meetings.
- v. The Clerk to the Committee will keep appropriate records of the proceedings.

- vi. The minutes of Committee meetings shall be circulated to all Board members.

Duties

The duties of the Committee shall include:-

- i. responsibility for monitoring the adequacy and effectiveness of the Academy's systems of internal control (including review of the statement of internal control) and its arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness (value for money).
- ii. advising the Board on the appointment, re-appointment, dismissal and remuneration of the financial statements auditor and the internal audit service.
- iii. advising the Board on the scope and objectives of the work of the internal audit service and the financial statements auditor.
- iv. ensuring effective co-ordination between the internal audit service and the financial statements auditor
- v. considering and advising the Board on the audit strategy and annual internal audit plans for the internal audit service.
- vi. advising the Board on internal audit assignment reports and annual reports and on control issues included in the management letters of the financial statements auditor, and management's responses to these.
- vii. monitoring, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports and the financial statements auditor's management letter.
- viii. considering and advising the Board on relevant reports by the National Audit Office, the Education Funding Agency (including those from the local provider financial assurance teams) and other funding bodies and, where appropriate, management's response to these.
- ix. establishing, in conjunction with Academy management, relevant annual performance measures and indicators and monitoring the effectiveness of the internal audit service and financial statements auditor through these measures and indicators and deciding, based on this review, whether a competition for price and quality of the audit service is appropriate.
- x. monitoring the Academy's risk management plan and advising the Board on its adequacy and effectiveness
- xi. producing an annual report for the Board and accounting officer which should include the Committee's advice on the effectiveness of the Academy's risk management, control and governance processes and any significant matters arising from the work of the internal audit service and the financial statements auditor.
- xii. monitoring and advising the Board on any alleged fraud and irregularity in the Academy's financial and other control systems and ensuring that all allegations of fraud and irregularity are properly followed up.
- xiii. being informed of all additional services undertaken by the internal audit service and the financial statements auditors.
- xiv. recommending the annual financial statements to the Board for approval.
- xv. monitoring the effectiveness of the Academy's whistleblowing procedures meeting privately with the Internal and External Auditors, and separately with the Director of Finance at least once a year.

These Terms of Reference were discussed and approved by the Trust Board on 14 September 2020