

AUDIT & RISK AND FINANCE COMMITTEE

TERMS OF REFERENCE

1. Purpose

- 1.1 The Audit, Risk & Finance Committee is a committee of White Rose Academies Trust (the Trust) established under the terms of Article 101 of the Trust's Articles of Association.
- 1.2 The purpose of the Committee is to assist the decision-making of the Trust by providing a process for independent checking of financial controls, systems, transactions and risks.
- 1.3 The Academies Financial Handbook published by the Education Funding Agency (ESFA) requires that the Audit & Finance Committee's work must focus on providing assurances to the Board of Directors that risks are being adequately identified and managed by:
 - reviewing the risks to internal financial control at the Trust; and
 - agreeing a programme of work to address, and provide assurance on, those risks.

As part of a multi-academy trust (MAT), the Committee's oversight must extend to the financial controls and risks at constituent academies.

Oversight must ensure that information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims completed by the Trust and its constituent academies, is accurate and in compliance with funding criteria.

The outcome of this work should inform the Governance Statement that accompanies the Trust's Annual Accounts and, so far as is possible, provide assurance to the external auditors.

2. Membership

- 2.1 The Committee shall consist of three members of the Trust's Board of Directors and up to one external co-opted member. The Chair of the Board of Directors is ineligible for membership of the Audit & Finance Committee. Membership of the Committee must include at least one person with relevant financial or audit expertise.
- 2.2 Audit, Risk & Finance Committee functions should be established in such a way as to achieve internal scrutiny which delivers objective and independent assurance. This means that staff employed by the Trust should not be members of the Audit, Risk & Finance Committee, but may attend to provide information and participate in discussions. The Accounting Officer and other relevant senior staff should routinely attend the Committee in order to provide information and participate in discussions.
- 2.3 Terms of office of members of the Committee shall last until the expiry of their term of office as a Board member unless s/he has been appointed for a further term of office.
- 2.4 Co-opted members of the Committee will be appointed by the Board and will hold office for a period of one year, following which they will be eligible for reappointment.

- 2.5 The Trust will review the terms of reference and membership of the Committee at least annually and may make changes as it sees fit.
- 2.6 A representative from the Trust's audit service providers will be expected to attend meetings of the Audit Committee as appropriate.

3. Election of Chair

- 3.1 At the last meeting of the Committee in each academic year members shall send a recommendation to the Board for a Chair for that year. The co-opted member is ineligible for appointment as Chair.

4. Frequency of Meetings and Quorum

- 4.1 The Audit, Risk & Finance Committee shall meet at least twice each academic year. Additional meetings may be called as necessary in agreement with the Chair.
- 4.2 The quorum for meetings of the Committee shall be two members. In accordance with the Trust's Articles of Association, no vote on any matter shall be taken at a meeting of the Committee unless the majority of members present are Directors.

5. Responsibilities of the Committee

- 5.1 To consider and advise the Board of Directors on the adequacy and effectiveness of the Trust's audit arrangements, framework of governance, risk management and control, and processes for the effective and efficient use of resources, the solvency of the institution and the safeguarding of assets.
- 5.2 To consider and advise the Board of Directors on all financial matters, including procurement, financial policies, planning and performance.
- 5.3 To advise the Board of Directors on the appointment, reappointment, dismissal and remuneration of the external auditors and the Internal Audit Service (IAS).
- 5.4 To advise the Board of Directors on the scope and objectives of the work of the IAS and the external auditors.
- 5.5 To ensure effective co-ordination between the IAS and the external auditors.
- 5.6 To consider and advise the Board of Directors on the audit strategy and annual audit plans.
- 5.7 To advise the Board of Directors on internal audit assignment reports and annual reports and on control issues included in the reports of the external auditors, and the executive's responses to these.
- 5.8 To monitor, within an agreed timescale, the implementation of agreed audit recommendations.
- 5.9 To consider and advise the Board of Directors on relevant reports by the Education & Skills Funding Agency (ESFA), and where appropriate the Executive's response to these.
- 5.10 To monitor the effectiveness of the Trust's auditors, including the use of relevant performance indicators.

- 5.11 To ensure that any additional services undertaken by the Trust's auditors is compatible with audit independence and objectivity.
- 5.12 To oversee the Trust's policy on fraud and irregularity and to ensure that all allegations of fraud and irregularity are properly followed up.
- 5.13 To consider and recommend the Trust's annual accounts to the Board of Directors for approval, including the statement of Corporate Governance and Internal Control.
- 5.14 The Audit, Risk & Finance Committee has the authority to investigate any activity within its terms of reference and the right of access to obtain all the information and explanations it considers necessary, from whatever source, to fulfil its remit.
- 5.15 The Audit, Risk & Finance Committee will meet with the external auditor in the absence of the Executive at least annually.

6. Clerking Arrangements

- 6.1 The Clerk to the Board shall act as Clerk to the Audit & Finance Committee.

7. Reporting to the Board of Directors

- 7.1 The minutes of each meeting of the Audit, Risk & Finance Committee shall be presented to the next ordinary meeting of the Board.
- 7.2 Any recommendations made by the Committee will appear as such on the agenda for the next ordinary meeting of the Board.

8. Review and Approval

- 8.1 The Terms of Reference of the Audit, Risk & Finance Committee will be reviewed on an annual basis and recommendations made to the Board as appropriate.
- 8.2 The Committee will also review its own effectiveness on an annual basis.