

## **SAND Academies Trust**



### **Terms of Reference: Audit & Risk Committee**

#### **Objective / Responsibility**

The committee is responsible for overseeing all aspects of audit for the trust, both internally and externally, and for the identification and appropriate management of risks throughout the trust and within individual schools in the trust.

The committee, which is accountable to the trust board, shall make whatever recommendations to the trust board that it deems appropriate within the context of its terms of reference.

#### **Membership**

The committee will consist of at least three members of the trust board. The CEO will attend the committee meetings but is not a member of the committee and will not have a vote on any decisions.

The committee will be chaired by a trustee who has been appointed from within the committee membership. The chair of the committee cannot be the same person who is the chair of trustees or the same person who is chair of the Finance and Resources committee.

Any meeting of the committee will be quorate as long as at least 3 committee members are present.

#### **Voting**

Voting is by a majority and the chair of the committee will have a casting vote in the event of a tie.

#### **Meetings**

The committee will meet at least 3 times per academic year or more often if required.

#### **Meeting administration**

The Clerk to SAND Academies Trust will administer all meetings for the committee under direction from the trust board and the committee chair.

#### **Terms of Reference – Internal scrutiny**

The committee will:

- Advise on and direct the trust's programme of internal scrutiny.
- Ensure that risks are being addressed appropriately through internal scrutiny.
- Review the effectiveness of the trust's internal control framework, including financial and non-financial controls and risk management systems.
- To annually review the internal audit requirements to determine the required scope and most effective means of delivery.

- To ensure that the internal audit function is adequately resourced including access to external specialists when required.
- To review and monitor management's responsiveness to internal audit findings and follow up on any recommendations.
- To monitor the effectiveness of the internal auditors.
- To advise the board on the appointment, reappointment, dismissal and remuneration of the internal auditors.

#### **Terms of Reference – External audit**

- Review the external auditor's plan each year.
- Review the annual report and accounts.
- Review the auditor's findings and actions taken by the trust's managers in response to the findings.
- Assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust Members about the auditor's reappointment, dismissal or retendering.
- Discuss with the external auditor, before the audit commences, the nature and scope of the audit and review the auditor's quality control procedures and steps taken by the auditor to respond to changes in regulatory and other requirements.
- Produce an annual report of the committee's conclusions to advise the trust board and Members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

#### **Terms of Reference – Risk Management**

- To review the assessment of the overall population of risk within the risk register, including any changes and risks which are identified for the trust as a whole and within the individual schools, in accordance with the Academy Trust Handbook.
- Regularly review the Risk Register in conjunction with other committees and report to the board throughout the year. The Risk Register is to identify the major threats to the successful operation of the trust, and incorporate an action plan to identify risk mitigation measures.
- To provide assurance to the trust board that risks are being adequately identified and managed.
- To review the operation of the Code of Conduct for trustees and local governors, the Code of Conduct for staff and for procedures such as detecting fraud or whistleblowing.
- Ensure there is adequate insurance cover in place for the trust.
- Ensure the trust effectively monitors any conflicts of interest or related party transactions.

#### **Terms of Reference – other**

- Review the committee's membership on an annual basis and ensure that it has appropriate skills and relevant experience.
- Review and approve any trust policies which have been delegated to the committee in accordance with the trust's policy review schedule.

<b>Approved by SAND Academies Trust board on:</b>	December 2021
<b>Next Review date:</b>	October 2022