

## **BERLESDUNA TERMS OF REFERENCE**

### **AUDIT AND RISK COMMITTEE**

#### **Introduction**

1. The Trustees have resolved to establish an Audit and Risk Committee in accordance with the Academies Financial Handbook

#### **Purpose of the Committee**

2. The purpose of the Audit and Risk Committee is to advise the Board of Trustees with an opinion on:
  - a) Matters relating to the Trust's audit arrangements
  - b) Systems of internal control.
  - c) Risk management arrangements
  - d) The Framework of Governance

The committee is required to fulfil its responsibilities set out within the terms of the appropriate Financial Manual, policies and procedures, and in compliance with the requirements of the Funding Agreement between the Trust and the EFSA.

#### **Membership and Operation**

The Board may co-opt persons to the Committee who are not Trustees. The Committee shall consist of a minimum of three and a maximum of six members (of whom at least two shall be Trustees and at least one of whom shall have the relevant skills and expertise). 'Decisions to be made at meetings of the Committee shall be determined by a majority of the votes of members present and voting. Where there is an equal division of votes, the Chair shall have a second or casting vote.'

1. The Chair of Trustees and CEO are not eligible for membership. Two members represent a quorum.
2. The term of office for any committee member shall be 4 years. A committee member may be re-elected subject to remaining eligible.
3. The Chair of the committee shall be appointed by the Trust and will normally be a Trustee to allow effective feedback to the Trust. If the Chair is absent from a meeting, the members shall choose one of their number to act as Chair for that meeting.

The Committee shall undertake an annual review of these terms of reference and recommend to the Trust for approval any changes needed.

#### **Detailed Responsibilities:**

The duties of the Committee shall include:-

- a) Advising the board on the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes

- including a review of the body's external financial statements and reports to ensure that they reflect best practice.
- b) Advising the board on the appointment, re-appointment, dismissal and remuneration of the external auditor and internal auditor.
  - c) Advising the board on the scope and objectives of the work of the internal and external auditors.
  - d) Ensuring effective co-ordination between the internal and external auditors and monitor the effectiveness of such auditors.
  - e) Considering and advising the Board on the audit strategies for the internal and external auditors.
  - f) Advising the Board on control issues including in the management letters, and management's responses to these.
  - g) Reviewing the Trust's annual internal control scrutiny report before submission to the EFSA.
  - h) Monitoring, within an agreed timescale, the implementation of agreed recommendations relating to internal audit reports and the external auditor's management letter.
  - i) Establishing, in conjunction with the CFO, relevant annual performance measures and indicators and monitoring the effectiveness of the internal and external auditors through these measures and indicators and deciding, based on this review, whether a completion for price and quality of the audit service is appropriate.
  - j) Producing an annual report for the Board which should include the committee's opinion on the effectiveness of the Trust's risk management, control and governance processes and any significant matters arising from the work of the internal and external auditor.
  - k) Being informed of all additional services undertaken by the internal and external auditors. Any additional services undertaken by the external auditors in between meetings of the Committee shall not exceed £3,000 in value and shall be reported to the next meeting of the Committee.
  - l) Reviewing, and recommending to the Trust board for approval, the annual financial statements.
  - m) Monitoring the Trust's whistleblowing procedures, conducting an annual review of policy and advising the Board on the effectiveness of both.
  - n) Reviewing annually the operation of the Trust's code of practice for Board members and code of conduct.
  - o) Considering any other matters where requested to do so by the board.

### **Meetings**

- a) The committee shall meeting at least 3 times per year. The Chair or any two members may call a meeting.
- b) The meetings shall be timely with the work of the internal and external auditors
- c) Non-members may be invited to attend a meeting, or part of a meeting.
- d) Other board members may be invited to attend a meeting or part of a meeting.
- e) The clerk to the Trust shall be the clerk to the Committee, keeping appropriate records of the proceedings.
- f) The agendas and minutes of Committee meetings shall be circulated to all Board members. Paper (digital and hard-copy versions) shall be available not less than five working days before a meeting of the Committee.
- g) The minutes of Committee meetings shall be subject to public disclosure under the Freedom of Information Act 2000. Where requests are made, the clerk shall, with legal advice where necessary, release such information as is not subject to exemption under the terms of the Act.

## **Delegated Functions**

The committee is authorised by the Trust to:

- a) Investigate any activity within its terms of reference
- b) Seek any information it requires from the internal and external auditor, Trustees, Trust Employees, plus relevant information from sub-contractors and other third parties.
- c) Obtain independent professional advice
- d) Seek any information it requires from staff, who are requested to co-operate with the committee in the conduct of its inquiries.

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