



V E N N

Terms of Reference - Audit, Risk and Finance Committee

The Board of Trustees has resolved to establish an Audit, Risk and Finance Committee to advise the Board on matters relating to the Trust's Audit, Risk and Finance arrangements and systems of internal control and to aid the Board's responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

The Committee's Terms of Reference are adopted by the Board and may only be amended with the approval of the Board. They are in place to enable the Trust Board to deliver its responsibility and accountabilities highlighted within the Articles of Association, Academy Trust Handbook, and the Trust's Scheme of Delegation. In the event of uncertainty regarding these terms of reference, the Scheme of Delegation shall take priority. In the event of further uncertainty, the Articles shall take priority.

1 Responsibilities

- to maintain an oversight of the Academy Trust's financial, governance, risk management and internal control systems
- to report findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements.
- encourage a culture within the Trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust and can take any concerns or worries to an appropriate member of the executive team or in exceptional circumstances directly to the Board of Trustees.
- provide minutes of all Audit, Risk and Finance Committee meetings for review at Board meetings.

2 Authority

- the Audit, Risk and Finance Committee is a Committee of the Academy Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
- the Audit, Risk and Finance Committee is authorised to:
 - request any information it requires from any employee, external audit, internal audit, or other assurance provider.
 - obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

3 Composition

- the membership of the Committee will comprise a minimum of four trustees.
- employees of the Trust should not be members of the Audit, Risk and Finance Committee, but the Accounting Officer, Chief Financial Officer and Chief Operating Officer should attend to provide information and participate in discussions.
- the Chair of the Trust Board should not be the Chair of the Audit, Risk and Finance Committee.
- to be quorate, meetings shall consist of three members of the committee.
- at least one member of the Committee should have recent or relevant accountancy, or audit assurance, experience.
- Venn Local Governing Board Governors with financial employment experience can be members of the Audit, Risk and Finance Committee but do not have voting rights.

4 Reporting

- The Audit, Risk and Finance Committee will:
 - report back to the Trust Board regularly every term.
 - provide an annual summary of the reports provided by the internal and external auditors covering key findings, recommendations, and conclusions.

5 Coverage

- to notify promptly the Trust Board of all financial matters of which the Committee has knowledge, and which may materially affect the current or future position of the Trust.
- to advise generally on the provision of resources and services to the Trust.
- to keep under review the Trust's financial management and reporting arrangements, providing constructive challenge to the actions and judgements of the Accounting Officer and CFO in relation to the management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Trust Board, paying particular attention to:
 - critical accounting policies and practices, and any changes in them
 - decisions requiring a major element of judgement
 - the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed
 - the clarity and transparency of disclosures
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with DfE and legal requirements.
- to receive reports of notifiable breaches of data protection and to ensure compliance with data protection legislation.
- to review or investigate any other matters referred to the Audit, Risk and Finance Committee by the Trust Board.
- to draw any significant recommendations and matters of concern to the attention of the Trust Board.
- to review, on a regular basis, its own performance, constitution, and terms of reference to ensure it is operating at maximum effectiveness.

6 Risk Assurance

- at least annually, to undertake a risk review exercise to inform the Trust's approach to risk management, internal scrutiny, and internal financial and non-financial controls.
- to review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks, in line with the internal audit strategy plan.
- to review the adequacy and robustness of the Trust's strategic risk register.
- to ensure that risk assurance measures include oversight of risks at constituent academies.
- to keep under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, internal audit, the external auditor and any other relevant independent assurances or reports (e.g., from the ESFA).
- to review all risk and control related disclosure statements, in particular the Trust's annual "Statement on Internal Control", together with any associated reports and opinions from management, the external auditor, and internal auditor, prior to endorsement by the Trust Board.

7 Policies

- to approve and keep under review the Academy Trust's finance policies.
- to review the Trust's policy and procedures for handling allegations from whistle-blowers and allegations of fraud, bribery, and corruption.
- to receive reports on the outcome of investigations of suspected or alleged impropriety.
- to review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- to ensure that any significant losses are investigated and reported to the ESFA where required.
- to review any recommendations made by the Secretary of State for Education for improving the financial management of the Academies.

8 External Audit

- the Audit, Risk and Finance Committee will advise the Trust Board on the effectiveness and resources of the external auditors to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:
 - the auditor's sector expertise
 - their understanding of the Trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level
 - the quality of auditor comments and recommendations in relation to key areas
 - where relevant the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
 - the auditor's use of technology.
- ensure there is co-ordination between internal audit and external audit and any other review bodies that are relevant.
- consider the reports of the auditors and, when appropriate, advise the Trust Board of material control issues.
- 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 SLT in response to those findings.
- produce an annual report of the Committee's conclusions to advise the Board of Trustees and Members.
- The Audit, Risk and Finance Committee reserves the right to meet with the external auditors without Trust staff present should they wish. This would usually be at the beginning of a meeting.

9 Internal Scrutiny

- the Audit, Risk and Finance Committee will advise the Trust Board on the effectiveness and resources of the internal auditors to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:
 - the auditor's sector expertise
 - their understanding of the Trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level
 - the quality of auditor comments and recommendations in relation to key areas
 - where relevant the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
 - the auditor's use of technology.

- agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks.
- take delegated responsibility on behalf of the board of trustees 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 the overall requirements for internal scrutiny, as specified in the Academy Trust Handbook.
- advise the Trustees on the adequacy and effectiveness of the Trust's systems of internal control, governance, and risk management processes,
- consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the Trust Board on any additional or alternative steps to be taken.
- The Audit, Risk and Finance Committee reserves the right to meet with the internal auditors without Trust staff present should they wish. This would usually be at the beginning of a meeting.