Venn Academy Trust and Venn Education Group
Audit and Risk Committee (ARC)
Terms of Reference

Note: Reference to Trustees relates jointly to Venn Academy Trust (VAT) and Venn Education Group (VEG).

Purpose and Scope

- The Audit & Risk Committee is a Committee of the Board of Trustees and is authorised to investigate any activity within its Terms of Reference or specifically delegated to it by its Board of Trustees.
- It is authorised to request any information it requires from any employee, external auditor or internal auditor.
- It is authorised to request any outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer. However, the Audit Committee may not incur expenditure without approval of the Board of Trustees.
- This committee acts independently from the executive management team to ensure that the interests of
- Members are properly protected in relation to financial reporting and internal control.
- The role of the Audit & Risk Committee is to assess the scope and effectiveness of the systems established by the executive management team to identify, assess, manage and monitor financial and non-financial risks to the company including the risk register. It also maintains an oversight of the Trust's governance, internal control, financial reporting and value for money frameworks in order to establish levels of compliance throughout the Trust.

Composition

- This committee has no fewer than three non-executive Trustees (including Trustees from both VAT and VEG).
- The Audit & Risk Committee will be quorate if two non-executive Trustees are present.
- The Chair of the Audit and Risk Committee cannot be the same as the Chair for the Finance & Resources Committee (appointed annually by the Board of Trustees).
- At least one member of the Audit & Risk Committee should have recent or relevant accountancy or audit assurance experience.
- Employees of the Trusts should not be members of the Audit and Risk Committee, but the Accounting Officer, Director of Finance and Director of Operations should attend to provide information and participate in discussions.

Meeting Frequency

- This committee meets no less than three times per year.

Delegations

- To ensure that the Internal Auditors commissioned comply with the standards set by the Chartered Institute of Internal Auditors.
- To receive reports from management, the External Auditor and Internal Auditor on an agreed basis and consider the issues raised, management responses and action plans.
- To monitor outstanding audit recommendations and ensure any agreed delays to implementation dates are reasonable.
- To ensure appropriate cooperation and coordination of the work of the External and Internal Auditor.
- May meet the Internal and External Auditor without management as may be required.
- To receive the annual management letter from the external auditors and establish whether recommendations have been implemented.
- To review the content of the Annual Report and Accounts and advise the Board whether it is fair, balanced and understandable.
- The Committee must ensure an annual report is provided by an internal auditor covering key findings, recommendations and conclusions.

- To review the Trustees' Statement in the Annual Report and Accounts on the Trust's internal controls and risk management framework and recommend the statement to the Board of Trustees in line with the Annual Accounts Direction.

The Committee has the following duties:

- To report to the Board of Trustees regularly every term on the appropriateness of the controls put in place and the levels of compliance achieved.
- To review and scrutinise the Trust's risk management policy and make recommendations to the Board.
- To review the implementation of agreed risk management systems within academies, with particular focus on Safeguarding, Health and Safety and Educational Visits.
- In conjunction with the Finance Committee, ensuring that an effective framework for the financial management of the Trust is in place.
- To review the Trust' s internal financial controls, that is, the systems established to identify, assess, manage and monitor financial risks.
- To review the External Auditor's annual planning proposals and make recommendations to the Board in respect of the approval of the planned audit approach and audit programme for the year.
- To monitor the External Auditors' compliance with the Ethical Standard and other related regulatory requirements.
- To review and monitor management's responsiveness to the external auditor's findings and recommendations.
- To review the Internal Auditor's annual planning proposals and approve the planned audit approach.
- To monitor and assess the role and effectiveness of the Internal Audit process in the overall context of the Trust's risk management system.
- To review and scrutinise the Trust policy in relation to the provision of non- audit services by the auditor and make recommendations to the Board.
- To monitor that all allegations of fraud or irregularity are managed and investigated appropriately.
- Review and scrutinise the whistleblowing and anti-fraud and corruption policies and ensure that arrangements are in place by which staff may raise concerns in confidence and make recommendations to the Board.
- To review key risk areas via the Risk Register and scrutinise the Trust's approach to the management and control of the key areas of risk identified.

The Committee has the following responsibilities:

- To advise the Board of Trustees and Accounting Officer on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems.
- To advise the Members, through the Board of Trustees, on the appointment, reappointment, dismissal and remuneration of the external and regularity auditors.
- To advise the Board of Trustees:
    - on the need for and then the appointment, re-appointment, dismissal and remuneration of the internal auditors.
    - on the programme of work to be delivered by both the external and internal auditors. The programme of work should be derived from having regard to the key risks faced by the Trust.
- To encourage a culture within the Trust whereby each individual feels they have a part to play in guarding the probity of the Trust, and is able to take any concerns/worries to an appropriate member of staff, or in exceptional circumstances, directly to the Board of Trustees.

Administration

- The meeting will be clerked by the Governance Professional for the Trust Board.
- This committee presents minutes of its meetings to the full Board of Trustees.
- The Committee shall report to the Board of Trustees as required and make whatever recommendations to them that it deems appropriate within the context of its terms of reference