



The Collegiate Trust
Exceptional Education for All

Audit and Risk Committee - Terms of Reference

1.9.2023

1. Introduction

- 1.1 The Collegiate Trust (the “Trust”) recognises and delivers on the need to implement strong and effective audit, risk and financial procedures and fulfils obligations through its three levels of governance:
- The Members of the Trust appoint auditors, approve annual accounts and financial statements and monitor the performance of the Board of Directors in delivering exceptional education for all through the Annual Strategic Plan
 - The Board of Directors sets the strategic priorities for the Trust and holds to account the key executives of the Trust for the performance of schools within the Trust
 - The Local Governing Bodies lead and monitor the educational and financial performance of individual schools.
- 1.2 Because of these established levels of governance and the growth of the Trust from September 2023 the Trust has decided to separate the Audit, Risk & Finance Committee and form the Finance and Capital Committee (FCC) and Audit and Risk committee (ARC). The Trust shall review the committee structure annually.

2. Purpose of the Audit and Risk Committee

- 2.1 Oversee all aspects of the audit work and arrangements of the Trust.
- 2.2 Review, on behalf of the Board of Directors, those statutory policies and procedures which fall within the remit of the Committee and to recommend their approval to the Board, namely:
- The Risk Management Plan
 - External Audit reports
 - Internal Audit reports
 - Gifts and Hospitality Policy

3. Membership of the Audit and Risk Committee

- 3.1 The composition of the Audit and Risk Committee shall be as follows:
- 3 Directors
 - 2 Co-opted Governors

Senior Executives who will attend this meeting as necessary but do not count towards quorum include CEO & CFO

- 3.2 Trust, Parent and LA governors from the schools’ Local Governing Body will be invited to apply to be a member on the Audit and Risk Committee when a vacancy arises. If more applications are received than vacancies. The Chair of the Committee and the Governance Manager will review the skills and elect a member.
- 3.3 There will be an open invitation for Principals to attend any Audit and Risk Committee meeting.
- 3.4 The Chair of the Audit and Risk Committee will be the Director with Audit oversight, this cannot be the Chair of the Trust Board or the Chair of the Finance and Capital Committee.
- 3.5 Terms of Office for committee members will run in conjunction with the terms of office in their specific role as Director or Governor in an LGB.

4. Proceedings of Committee Meetings

- 4.1 The committee shall meet three times a year in accordance with the Academy Trust Handbook, but more frequent meetings can be arranged if necessary.
- 4.2 Committee meetings will be virtual and will be reviewed annually.
- 4.3 Quorum for any decisions to be made is 2 Directors and 1 Co-opted Governor.
- 4.4 Any matter to be decided by the committee must be determined by a majority. Each member is entitled to one vote. If there is an equal division of votes, then the Chair has the casting vote.
- 4.5 The agenda and papers will be placed on SharePoint five working days in advance of a meeting. If this is not possible the Governance Manager will notify committee members five days prior to the meeting.
- 4.6 The Trust Risk Register will be a standing agenda item at each meeting.

5. Internal & External Audit

- The committee will: -
- 5.1 Advise the Members on the appointment, reappointment, scope and objectives, dismissal and remuneration of the financial statements auditor and other assurance providers, and ensure that all such assurance providers adhere to relevant professional standards.

- 5.2 Advise the Board of Directors on the programme of internal scrutiny and to provide independent assurance to the Board that its financial and non-financial controls and risk management procedures are operating effectively.
- 5.3 To advise the Board of Directors and other assurance providers' assignment reports and annual reports and on control issues included in the management letters of the financial statements auditor (including their work on regularity) and the management responses.
- 5.4 Monitor, within an agreed timescale, the implementation of agreed recommendations relating to reports and annual reports, and the financial statements auditor's management letter.
- 5.5 Establish, in conjunction with the Trust executive, relevant annual performance measures and indicators, to monitor the effectiveness of financial statements auditors through these and to decide whether a tender for price and quality of the audit service is appropriate.
- 5.6 Review the financial statements auditors' management letter in the context of the annual financial statements and to consider the Corporate Governance statements in the financial statements.

6. Risk

- 6.1 The Audit and Risk Committee will direct the Trust's programme of internal scrutiny. A programme of works will be agreed annually to deliver internal scrutiny that provides coverage across the year.
- 6.2 The committee will report to the Board of Directors on the adequacy of the Trust's internal control framework and ensure that risks are being addressed appropriately through internal scrutiny.
- 6.3 Ratings and responses on the risk register will be reviewed to inform the programme of work, ensuring checks are modified as appropriate each year and agree who will perform the work.
- 6.4 Reports from those carrying out the programme of work will be considered at each committee meeting.
- 6.5 Output from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations will be considered.

Meeting	Key focus
December	External audit, Risk Register, Agree internal audit plan for spring
March	Spring Internal Audit outcome – Spring, Risk Register, Agree Internal audit plan for the summer
July	Summer internal audit outcome