

Audit and Risk Terms of Reference (Resource Committee)



Version	Date	Action
1	November 2022	Drafted
2	December 2022	Reviewed and agreed by Beam Trust
3		
4		

CONTENTS

PAGE

1. The role of the audit and trust committee	2
2. Membership and quorum	2
3. Term of office	3
4. Meetings	3
5. Calendar of business	4
6. Duties	5
7. Monitoring and review	8

1. THE ROLE OF THE AUDIT AND RISK COMMITTEE

Under the 'Academy Trust Handbook 2021', Academy Trusts are required to establish an Audit and Risk Committee, appointed by the Board of Trustees. Trusts with an annual income over £50 million must have a dedicated Audit and Risk Committee, while other trusts must either have a dedicated Audit and Risk Committee or can combine it with another committee e.g. the Resource Committee.

The Audit and Risk Committee will:

- Advise on the adequacy of financial and other controls and risk management arrangements in the trust.
- Consider the results and quality of any external audit.
- Oversee and approve the trust's programme of internal scrutiny.
- Ensure that risks are being addressed appropriately through internal scrutiny.
- Report to the Board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

In trusts with multiple academies, the committee's oversight must extend to the financial and non-financial controls and risks at constituent academies.

2. MEMBERSHIP AND QUORUM

The audit and risk committee will be appointed by the Board of Trustees. The minimum number will be three to ensure there are enough members to hold a majority when voting.

Employees of The Beam Trust are not permitted to be members of the audit and risk committee, however, the Accounting Officer and Chief Financial Officer will be expected to attend committee meetings to provide information and participate in discussions. The Chair of the Board of Trustees is unable to be the Chair of the Audit and Risk Committee.

If the audit and risk committee is combined with another committee, employees of The Beam Trust will not participate as members when audit matters are discussed.

If the audit and risk committee is a separate committee, the Chair of the Audit and Risk Committee will not be the same individual who is the Chair of the Resource Committee.

Individuals with the requisite knowledge and skills to effectively engage with and challenge the Trust will be appointed to the Committee.

Only full members of the Committee who have been approved by the Board of Trustees have the right to vote on any matters. The Committee may decide to

appoint non-voting members as approved by the Board of Trustees who are able to advise the Committee.

The quorum of the committee will be one half of the numbers of the Committee rounded up to the nearest full number e.g. if the Committee comprises five members then a minimum of three members must attend the meeting in order to meet the quorum.

3. TERM OF OFFICE

The Committee will be appointed annually by the Board of Trustees and shall hold office from either the date of their appointment until their resignation or their omission from membership of the Committee on subsequent consideration by the Board of Trustees, whichever occurs first.

4. MEETINGS

The Committee will meet as often as is necessary to fulfil its responsibilities but at least three times per year. The Chair of the Committee or any three Committee members may by giving notice in writing to the Clerk call unscheduled meetings as long as appropriate notice of at least seven days is given to other members of the Committee. A shorter notice may be given where the Chair of the Committee decides a particular matter requires addressing immediately.

The frequency and dates for Committee meetings will be considered before the first Autumn term of the academic year. The Clerk to the Committee will circulate an agenda, copies of minutes of the previous Committee meeting and any papers to be considered no fewer than seven working days prior to the meeting.

Members will withdraw from the meeting if there is an identified or potential conflict of interest or there is a motion to question their ability to remain impartial.

The Clerk will take minutes of the meeting. This will be approved by the Chair of the Committee as accurate representations of the meeting before they are handed to Committee members for final approval at the next committee meeting. Following approval the Clerk will distribute the minutes to the Board of Trustees. Confidential minutes will only be shared with Trustees who were present at the meeting where the confidential item was discussed.

The Committee may invite non-members to meetings to assist or advise on a particular matter or issue. These additional attendees will not be entitled to vote on any matters.

Every matter to be decided upon will be determined by a majority vote – where there is an equal division of votes, the Chair will have the deciding vote. Each

member of the Committee who is present at the meeting will be entitled to one vote.

A register of attendance shall be kept for each meeting and will be published on the Trust's website on an annual basis.

5. CALENDAR OF BUSINESS

The Committee will meet at least once per term. The items of business that may be discussed during each term are outlined below.

Autumn term

- Elect a Chair of the Committee.
- Confirm meeting dates, if these have not already been established at the end of the previous academic year.
- Review the Committee membership and plan to fill any vacancies.
- Agree a programme of work to deliver internal scrutiny that provides necessary coverage across the year, reviewing the ratings and responses on the Trust's risk register to inform the programme.
- Agree who will be responsible for carrying out elements of the programme of work.
- Review the internal and external audit plan for the forthcoming academic year.
- Review the Trust's Summer census returns to ensure they are accurate and compliant with funding criteria.
- Review the Trust's budget forecast returns to ensure they are accurate and compliant with funding criteria.
- Comment on the annual report and accounts for the previous academic year prior to their finalisation and submission for audit.
- Advise on the content of the governance statement to be presented alongside the finalised accounts.

Spring term

- Consider reports from those carrying out the programme of work.
- Discuss progress in addressing any recommendations made at the previous meeting or by third parties.
- Discuss the recommendations and outputs of any assurance activities by third parties, including ESFA financial management and governance reviews, funding audits and investigations.
- Review the Trust's Autumn census returns to ensure they are accurate and compliant with funding criteria.
- Review and consider the annual audited accounts.
- Discuss the implications of the result of the Accounting Officer's statement of

- regularity.
- Consider the internal scrutiny report and discuss the progress made against recommendations made regarding enhancing financial and other controls and risk management procedures.

Summer Term

- Consider reports from those carrying out the programme of work.
- Discuss progress in addressing any recommendations made at the previous meeting or by third parties.
- Discuss the recommendations and outputs of any assurance activities by third parties including ESFA financial management and governance review, funding audits and investigations.
- Review the Trust's Spring census returns to ensure they are accurate and compliant with funding criteria.
- Consider the internal scrutiny report and discuss the progress made against recommendations made regarding enhancing financial and other controls and risk management.
- Agree the Committee's annual report to the Board of Trustees and Accounting Officer.
- Re-visit findings from external auditors and review actions in response to audits.
- Review and challenge the internal and external audit strategy.
- Consider the Committee's own effectiveness.

6. DUTIES

General

- To observe and comply with the Board of Trustees Code of Conduct at all times.
- To appoint a professional Clerk to advise and guide the Committee of their duties and responsibilities and to record minutes of all Committee meetings.
- To establish a terms of reference for the Audit and Risk Committee and review these on an annual basis.
- To deal with all matters relating to auditing, internal scrutiny, finance and risk management that may be referred by the Board of Trustees.
- To keep up-to-date with any relevant legislation and advise the Board of Trustees when policies or procedures need to be revised.
- To minute all meetings and report all decisions to the Board of Trustees as a confidential item.
- To seek professional advice as necessary.
- To attend relevant training when appropriate.
- To produce an annual report to the Board of Trustees on the proceedings, recommendations and decisions of the Committee.

Internal scrutiny and external audit

- To direct the Trust's programme of internal scrutiny and ensure that risks are being addressed appropriately through internal scrutiny.
- To oversee individuals that undertake internal scrutiny.
- To deliver internal scrutiny in a way most appropriate to the Trust's circumstances, which could include employing an in-house internal auditor or buying in internal audit services.
- To advise the Board of Trustees on the internal scrutiny programme of work.
- To ensure those carrying out the programme of internal scrutiny are suitably qualified and experienced.
- To report to the Board on the adequacy of the Trust's internal control framework, including financial and non-financial controls and management of risks.
- To assess year on year progress using the short annual summary report that outlines areas that have been reviewed, key findings, recommendations and conclusions.
- To keep the approach to internal scrutiny under review.
- To ensure the internal scrutiny approach the Trust uses is confirmed in the governance statement which accompanies the annual accounts.
- To ensure the programme of internal scrutiny informs the Accounting Officer's statement of regularity in the annual accounts.
- To ensure the Trust submits its annual summary report of the areas reviewed, key findings, recommendations and conclusions to the ESFA by 31 December each year when the audited annual accounts are submitted. If the Trust uses additional individuals or organisations where specialist non-financial knowledge is required the committee should ensure recommendations and conclusions from these individuals or organisations are included as part of the summary document.
- To ensure the ESFA is provided with any requested internal scrutiny reports.
- To advise the Board of Trustees on the need for, and where appropriate the appointment, re-appointment, dismissal and remuneration of, and internal auditor or other assurance provider.
- To ensure the audited accounts are submitted to the ESFA by 31 December each year and meet other statutory requirements.
- To advise on the adequacy of the management response to issues identified by audit activity.
- To monitor the progress made against audit recommendations.
- To ensure the appropriate cooperation and coordination of the work of the external auditor and Accounting Officer.
- To assess the effectiveness and resources of the external auditor to provide a basis for decisions by the Trust's members about the auditor's reappointment,

- dismissal or retendering.
- To advise the Board of Trustees on the appointment, re-appointment, dismissal and remuneration of the external and regulatory auditor.
 - To receive reports (including the annual accounts and management letters) and consider any issues raised, the associated management response and action plans and report necessary actions to the Board of Trustees.
 - To review the external auditor's annual planning document and approve the planned audit approach.
 - To consider any additional services delivered by the external auditor or other assurance providers and ensure appropriate independence is maintained.
 - To consider the quality of external auditors and those carrying out internal scrutiny.

Financial Management and Reporting

- To make reports to the Board of Trustees on the adequacy of the Trust's financial controls.
- To ensure information submitted to the DfE and ESFA that affects funding, including pupil number returns and funding claims (for both revenue and capital grants) completed by the Trust, is accurate and in compliance with funding criteria.
- To advise the Board of Trustees on accounting policies, the Trust's accounts and the Trust's annual report including the process for review of the accounts prior to submission for audit and levels of error identified.
- To review and advise on the development of anti-fraud policies, whistleblowing processes and arrangements for special investigations.
- To review an overview of financial statements submitted by the Trust.

Risk Management

- To report to the Board of Trustees on the adequacy of the Trust's risk management processes.
- To advise on the strategic processes for risk, control and governance and the governance statement.
- To advise on assurances relating to the management of risk and governance requirements for the Trust.

Authority

The Committee is authorised by the Board of Trustees to:

- Investigate any activity within its terms of reference.
- Seek any information it requires from any employee of The Beam Trust, with all employees directed to cooperate with any request made by the Committee.

- Obtain any external legal or independent professional advice where necessary.

7. MONITORING AND REVIEW

These terms of reference will be reviewed on an annual basis by the Board of Trustees.

Upon review this document will be signed by the Chair of the Trust Board and the Chair of the Resource Committee.

Changes to these terms of reference will be distributed to all members of the Resource Committee.