



AUDIT AND RISK COMMITTEE - Terms of Reference

Core Purpose

The Risk and Audit Committee of the BASE Academy Trust has been established:

- To achieve internal security.
- To monitor risk.
- To deliver objective and independent assurance for the Trust.

In carrying out its role, the Committee will adhere to the principles set out in the Academies' Financial Handbook.

Membership

To ensure the Committee carries out its core purpose of objectivity and independence, the membership of this committee will be confined to Trustees who are not members of the Finance Committee. (The Chair of the Board and the Executive Head teacher are not eligible for membership and a vote but can attend.)

The Committee shall have a minimum of three Trustees and a maximum of five and the Trust Board will ensure the members have the necessary skills, background and experience to properly fulfil the committee's functions.

Proceedings

The committee will meet at least three times a year.

At its first meeting of each year, the Committee will elect a Chair.

The Committee may invite attendance at meetings from persons who are not Trustees or Committee members to assist or advise on a particular matter or range of issues. Such persons shall not be entitled to vote should a vote be necessary.

The quorum will be 3 Trustees.

Minutes will be forwarded to the Board for consideration at its following meeting.

Responsibilities

- To review the risks to the Academy's systems of internal control.
- To agree a programme of work to address, and provide assurance on, those risks.

Specific Tasks of the Audit and Risk Committee.

Internal Audit

- To advise the governing body on the internal audit service's audit risk assessment strategy.
- To consider and advise the governing body on the internal audit service's audit risk.
- To consider the findings of the internal audit visits.
- To monitor the progress against the internal audit action plan.

External Audit

- To ensure that the governing body appoints the external auditors by competitive tender.
- To receive and review the external auditor's report and to assess the appropriateness of the management's response.
- To review the performance of the external auditor and take action as necessary.
- To advise the governing body on the appointment of external auditors.
- To renew the annual external audit management letter.
- To monitor the progress against the external audit action plan.

Typical Agendas

While the agenda of each audit committee will vary depending on the time of year and individual circumstances, they are likely to have the following structure:

- Introduction, notices, apologies for absence and quorum.
- Declaration of interests.
- Minutes of previous meetings.
- Specific items.
- Any other business.
- Date and time of next meeting.

Issues that could be discussed under 'specific items' include:

- Internal auditors' reports.
- Action plan following internal auditors reports.
- Year-end accounts.
- External auditors' reports.
- External auditors' management letters.
- Action plan following external auditors' management letters.
- Re-appointment of auditors.

Duties

The specific duties of the committee are:

- To review the academy's internal and external financial statements and reports to ensure that they reflect best practice.
- To discuss with the external auditors the nature and scope of each forthcoming audit and to ensure that the external auditors have the full co-operation of staff.

- To consider all relevant reports by the appointed external auditors, including reports on the academy's accounts, achievement of value for money and the response to any management letters.
- To review the effectiveness of the academy's internal control system established to ensure that the aims, objectives and key performance targets of the academy are achieved in the most economic and effective way.
- To ensure that the academy's internal audit service meets, or exceeds, the standards specified by academy and meets agreed levels of service.
- To consider and advise the board on the academy's annual and long-term audit programme.
- To consider internal audit reports, including value-for-money reports and the arrangement for their implementation.
- To consider any other matters where requested to do so by the Board.

Financial Management and Policies

- To keep under review the Trust's financial management and reporting arrangements providing constructive challenge to management paying particular attention to:
 - a) Significant accounting policies and practices and any changes to them.
 - b) Decisions requiring a major element of judgement.
 - c) Any unusual or complex transactions.
 - d) The clarity and transparency of disclosures.
 - e) Compliance with accounting standards.
 - f) Significant adjustments as a result of audit.
 - g) Compliance with DfE and legal requirements.
- To keep under review the Trust's policy on Whistleblowers.
- To keep under review policies and procedures for handling fraud, bribery and corruption.

Risk

- To keep under review the Trust's risk management policy and process.
- To keep under review the Trust's risk management register.
- To review, monitor and assess periodically major aspects of risk such as:
 - a) Damage to the Trust's reputation.
 - b) Loss of funds.
 - c) Changes in government policy.
 - d) Risks to standards that may arrive from expansion.