



The Athelstan Trust

Audit and Risk Committee Terms of Reference

1 Purpose of the Audit and Risk Committee

1.1 The Audit and Risk Committee is a Committee of the Athelstan Trust Board. The purpose of the Committee is to support the Trust in its responsibilities by maintaining oversight of the Trust's financial, governance, risk management and internal control systems.

1.2 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.

2 Membership

2.1 The Committee will be made up of three Trustees and a normally a maximum of 2 governors nominated by Local Governing Body Chairs. The Chair of the Committee will be a Trustee. The Chair of Trustees should not be the Chair of the Audit and Risk Committee. The membership will be discussed on an annual basis at the first meeting of the Trust Board in the academic year. The Chair shall be appointed by the trustees at that meeting.

2.2 Chair's term of office shall be one year as this appointment is voted upon annually (see 2.1 above).

2.3 The Committee may invite non-voting specialists who are not Trustees to advise on specific areas, for such a period of time as required the Committee.

2.4 Employees of the Trust should not be Audit and Risk Committee members but CEO, CFO, are non-voting advisors to the Committee. Other staff will be invited as appropriate at the direction of the Committee.

2.5 At least one member of the Audit and Risk Committee should have recent or relevant accountancy, or audit assurance experience.

2.6 Any Trustee may attend a meeting of the Audit and Risk Committee, including those who area not members of the Audit and Risk Committee.

3 Delegated Power

3.1 The Committee is authorised to invite attendance at its meetings persons to assist or advise on a particular matter or range of issues, including members of Trust staff, but staff will not be present where there is a potential conflict of interest in relation to their own remuneration.





The Athelstan Trust

3.2 In the event of a need to make urgent decisions between meetings, the Chair of the Committee, in consultation with the CEO and the Trust Chair, will take appropriate action on behalf of the Committee. The decisions taken and the reasons for urgency will be minuted and explained fully at the next meeting of either the Audit and Risk Committee or the Trust Board as appropriate.

3.3 The Committee is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board including to (a) request any information it requires from any employee or other assurance provider; or (b) obtain outside legal or independent professional advice it considers necessary with approval of the Trust Board.

3.4 The Committee does not have its own budget and has no remit for capital expenditure; legal commitments are made with the prior delegated consent of the Trust Board.

4 Quorum and Decision by Consensus

4.1 It is generally expected and encouraged that decision making by the Audit and Risk Committee should be by consensus. If consensus cannot be reached, the decision will be referred to the Board for resolution.

4.2 This is subject to any member of the Committee having an interest, loyalty or duty that conflicts, or is reasonably likely to conflict, with the interests of the Committee. In such cases the Committee member must declare his or her interest for the particular item.

4.3 The quorum for the Committee shall be two non-conflicted members.

5 Meetings

5.1 The Audit and Risk Committee will meet four times a year or more frequently as circumstances require. The Committee Chair shall also convene a meeting at other times if considered necessary or upon the reasonable request of any Committee member.

5.2 Meetings will be scheduled by the Clerk with advice from the CFO to align with major decision points for the Trust.

5.3 The Clerk shall be appointed by Trustees and shall attend and service Committee meetings, including circulating the agenda and papers before each meeting, and preparing the minutes.

5.4 The Chair will set the agenda for the Committee meetings in conjunction with the Clerk and relevant staff.





The Athelstan Trust

5.4 Meetings will be chaired by the Chair of the Committee. In the absence of the Chair, the Committee will elect a temporary replacement from among the members present at the Committee meeting.

5.5 In the absence of the Clerk the Committee will approve a replacement for the meeting.

5.6 The Clerk will circulate an agenda for each meeting and papers at least a week before each meeting.

5.7 Attendance at each meeting, matters discussed and recommendations for decisions will be recorded. The written record of each meeting will be submitted to the next meeting of the Committee.

6 Reporting

6.1 The Chair will report any actions to the Trust Board requiring ratification.

6.2 The Committee will review at least once a year with the Board its constitution and Terms of Reference and recommend any changes necessary to the Board.

6.3 The Committee will report back to the Trust Board regularly every term.

6.4 The Committee will provide an annual summary report provided by the internal scrutineer/auditor and areas reviewed by internal scrutiny/audit covering key findings, recommendations and conclusions.

7 Key Responsibilities

7.1 Advise the board on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration.

Considerations may include:

- the auditor's/scrutineer'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/scrutineer comments and recommendations in relation to key areas





The Athelstan Trust

- 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/scrutineer's use of technology
- ensure there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant
- consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
- 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 is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees
- provide minutes of all Audit and Risk Committee meetings for review at board meetings

External Audit

- 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.

Internal Scrutiny

- 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.
- conduct a regular review of the risk register
- agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks.
- 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 board on any additional or alternative steps to be taken
- oversee the annual review of the trust's risk register





The Athelstan Trust

8. Terms of Reference

8.1 The committee's terms of reference will be reviewed annually at the first meeting of the year and any proposed changes referred to the Trust Board for approval. Any additional changes during the year must be referred to the Trust Board for approval.

Approved by the Trust Board – (13 October 2022)

