



Elmlea Schools' Trust Trustees Audit and Risk Committee Terms of Reference 2023/2024

Key Purpose

The purpose of the Audit and Risk Committee is to assist the Board in the fulfilment of its corporate governance duties, risk management, internal control, compliance with General Data Protection Regulations and IT security, and financial reporting.

Membership

The committee will consist of at least three trustees. In addition, the CEO as the Trust Accounting Officer will be an automatic member. The Director of Finance and Operations as the Chief Finance Officer and will attend meetings as convenor and advisor. Additional non-voting members may be co-opted as considered necessary.

The committee is authorised to invite attendance at its meetings from persons to assist or advise on a particular matter or range of issues.

Quorum

The quorum for each meeting shall be three, in addition the CEO (Chief Executive Officer who is the Trusts Accounting Officer) should be in attendance. In the absence of the CEO, the Director of Finance and Operations (Chief Finance Officer) must be present at the meeting.

Meetings

Meetings to be at least three times per annum to be compliant with the Government internal scrutiny guidance and otherwise as required. These will generally be in the November, Feb/March and the summer term annually. Notice of at least one week must be given when convening additional meetings.

Terms of Reference

The committee has the power to make its own decisions without referral to the Board of Trustees, except where the subject matter requires the Board of Trustees consideration by law or as specified in the Board of Trustees Scheme of Delegation.

AUDIT

The specific duties of committee shall be to:

1. Review the Trust's internal and external financial statements and reports to ensure that they reflect best practice;
2. Monitor the adequacy and effectiveness of the Trust's systems of internal control and its arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness (value for money);
3. Discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff;
4.
 - a) Review the financial statements that form part of the annual report of the governing body to parents and for filing in accordance with Companies Act and Charity Commission requirements;
 - b) Review internal audit, annual Auditor's reports and control issues included in the management letters of the financial statements auditor, and management's responses to these
5. Consider all relevant reports by the Director of Finance and Operations and the appointed auditors, including reports on the Trust's accounts, achievement of value for money and the response to any management letters;
6. Review the effectiveness of the Trust's internal control system established to ensure that the aims, objectives and key performance targets of the organisation are achieved in the most economic, effective and environmentally preferable manner;
7. Review reports on any material breakdown of controls and the adequacy of proposed action;
8. Recommend to the Members Board the appointment, re-appointment, dismissal and remuneration of the financial statements auditor and the internal audit service;
9. Advise the Board on the strategy, scope and objectives of the work of the internal audit service and the financial statements auditor;
10. Review internal audit, annual Auditor's reports and control issues included in the management letters of the financial statements auditor, and management's responses to these;
11. Consider and advise the Board on relevant reports by the National Audit Office, the Education Funding Agency (including those from the local provider financial assurance teams) and other funding bodies and, where appropriate, management's response to these;
12. Ensure that Trustees appointed to the committee have appropriate skills and receive appropriate training to enable them to carry out their responsibilities;
13. Review the Risk Register ensuring that the risks recorded are receiving due monitoring by the relevant committee or Board of Trustees and have relevant and practical control measures in place;
14. Review the Trust policy and procedures for the prevention and detection of fraud;
15. Review the Trust's insurance arrangements, including directors' and officers' liability insurance, to ensure that appropriate cover is in place;
16. Maintain an overview of the complaints received by the Trust and ensure that appropriate lessons are learned;
17. Undertake authorised investigations on behalf of the Board and advise on the findings and recommendations;
18. Review 'The Musts' for AFH on an annual basis;

19. Review information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims (for both revenue and capital grants) completed by the Trust for reasonableness and being in compliance with funding criteria on an annual basis.

GENERAL DATA PROTECTION REGULATIONS & IT SECURITY

To provide support and guidance for the Board of Trustees on all matters relating to the General Data Protection Regulations (GDPR) and IT security, including

20. Review of the Trust's data management processes, policies and procedures with recommendations for improvements where necessary;
21. Ensure policies and guidelines are consistent with best practice compliance regarding all data protection and cyber security principles;
22. Ensure a process for complying with data access requests is developed;
23. Ensure staff have received appropriate training in cyber security and GDPR
24. Review the list of the different organisations that provide IT services to ensure adequacy and value for money for the Trust;
25. Review the most critical parts of the school's digital estate and assess its security;
26. Review the Trust's backup and restoration plan;
27. Assess the degree to which both users and the governing body understand the importance of cyber security and their role in it;
28. Assess the ability of the school to continue to operate if there were a temporary loss of access to its data and/or internet connection;
29. Ensure that the school has a specified contact person should it become a victim of a cyber incident.

POLICIES

Ensure that Trust Policies, procedures and other relevant documentation assigned to the committee is reviewed on a timely basis and updated in line with current legislation.

RISK MANAGEMENT

At each meeting, review the relevant part of the risk register, adding additional risks that the schools face. Consider the underlying causes of the key risks and ensure that the school leadership is taking appropriate action to mitigate the risks.

RECORDING AND REPORTING DECISIONS

To minute clearly the reasons for all decisions and report these decisions to the next meeting of the Board of Trustees.

CONFIDENTIALITY

Any matter discussed in the committee may be deemed confidential until the Board of Trustees has been informed. Confidential items will be recorded and circulated in separate minutes.

ANNUAL REVIEW OF TERMS OF REFERENCE

In Term 6 annually, the committee should review Terms of Reference to ensure that they have met and

delivered their delegated duties, to cross reference them to the current Scheme of Delegation and to update both documents as necessary.

Following annual review, the terms of reference and any recommended amendments to the Scheme of Delegation should be submitted to the Board of Trustees for ratification by Board of Trustees at the T6 meeting.

DISPUTES

The Board of Trustees at its next meeting, or if necessary, a specially convened meeting, will resolve any disputes within or between committees.

Document History Record of Changes

Date	Version	Author/Owner	Change	Origin of Change e.g. Change in legislation
Aug 2019	1.0	Clare Sanders		
Oct 2020		CS	Update from two to three meetings per annum to reflect Government compliance for internal scrutiny arrangements	DfE
June 2021		MS	Incorporation of GDPR items Adjustment to minimum committee members Change point 11 from 'financial knowledge' to 'appropriate knowledge'	Internal processes
September 2021		MS	Incorporation of 'The Musts' from AFH - point 18 Incorporation of reasonableness review of ESFA funding submissions eg pupil number	Internal processes
June 2022		MS	Inclusion of GDPR items which had been included on ToR timetable but had not been included on previous version of the ToR (nos 24 – 32)	Internal processes
June 2023		MS/JS	Make explicit in several places that the Committee has responsibility for GDPR	Internal process

			compliance and IT security (20-29) and clarification of responsibility in respect of complaints (16) and IT services (24)	
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Trustees' Committee	Audit and Risk
Terms of Reference Adopted	5 th July 2023
Review cycle	Annually
Review date	Summer Term 2024