

## **Audit, Risk and Compliance Committee (ARC)**

### **Terms of Reference**

#### **1. Purpose**

- 1.1 To maintain an oversight of the Trust financial, governance, risk management internal control, financial reporting and compliance.
- 1.2 To report its findings 3 x per annum to the Trust Board and the Accounting Officer (CEO) as a critical element of the Trust annual reporting requirements.

#### **2. Authority**

- 2.1 The ARC committee is a committee of the Trust and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board of Trustees.
- 2.2 The Audit, Risk and Compliance committee (ARC) has no executive powers or operational responsibilities/duties.
- 2.3 The ARC committee is authorised to
  - request any information it requires from any employee, external audit, internal audit or other assurance provider.
  - obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

#### **3. Composition**

- 3.1 The membership of the committee will comprise a minimum of 3 trustees.
- 3.2 The Chair of Trust and the Chair of Finance committee shall not serve as Chair of ARC committee.
- 3.3 Until otherwise determined by the board of trustees, a quorum shall consist of 3 members of the committee.
- 3.4 At least one member of the ARC committee should have recent or relevant accountancy, or audit assurance, experience.
- 3.5 Staff employed by the trust may be invited to attend the Audit committee to provide information and participate in discussions but should not be members of the committee.
- 3.6 Any trustee may attend a meeting of the ARC committee, including those who are not members of the ARC committee.
- 3.7 The CEO and COO or Finance Director should also attend the meetings.

## **4. Reporting**

The ARC committee will:

- 4.1 Report to the Trust Board 3 x per annum
- 4.2 Report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.
- 4.3 Support the Trust Board to submit its annual summary report of the areas reviewed, key findings, recommendations, and conclusions, as presented by the person(s) or organisation(s), conducting the programme of work to the ESFA by 31 December each year when it submits its audited annual accounts.
- 4.4 Review the annual report and accounts

## **5. Responsibilities:**

### **5.1 External Audit**

- 5.1.1 Advise the Trust Board on the appointment, reappointment, dismissal and remuneration of the external auditors
- 5.1.2 Monitor the effectiveness and Best Value of the appointed auditors
- 5.1.3 Review the external auditor's plan each year
- 5.1.4 Review the adequacy of management responses to issues raised by external audit, and implementation of audit recommendations and timescales

### **5.2 Internal Audit**

- 5.2.1 Advise the Trust Board on the appointment, reappointment, dismissal and remuneration of internal auditors
- 5.2.2 Take delegated responsibility on behalf of the Trust Board for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academy Trust Handbook
- 5.2.3 Agree a programme of work annually to deliver internal scrutiny that provides coverage across the year
- 5.2.4 Review the adequacy of management responses to issues raised by internal audit, and implementation of audit recommendations and timescales

### **5.3 Risk Management and Internal Control**

- 5.3.1 Review the ratings and responses on the risk register to inform the programme of work, ensuring checks are modified as appropriate each year
- 5.3.2 Ensure that risks are being addressed appropriately through internal scrutiny, ensuring it delivers objective and independent assurance
- 5.3.3 Report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management
- 5.3.4 Oversee the trust's risk register and, on the advice of the CEO, COO and Finance Director, conduct a regular review of risks.

- 5.3.5 Provide assurance to the Trust Board that risks are being adequately identified and managed
- 5.3.6 Consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations.
- 5.3.7 Oversee the Business Continuity Plan
- 5.3.8 Maintain a register of business interests for trustees
- 5.3.9 To ensure that every aspect of Safeguarding is fully compliant through the outcomes of the Safeguarding audit.
- 5.3.10 The committee will ensure that the Trust has a planned site maintenance and development program strategy for the schools within the trust, with appropriate timescales and costs.
- 5.3.11 The committee will review the Trust's Health and Safety policy annually, and oversee the action plans of the individual schools and make recommendations to ensure that the Trust takes all reasonable steps to comply with Health and Safety legislation

## **6. Other**

- 6.1 Encourage a culture within the Trust whereby each individual feels that they have a part to play in guarding the probity of the Trust, and can take any concerns or worries to an appropriate member of the management team or if required directly to the Trust Board
- 6.2 Ensure all committee policies are regularly reviewed and where applicable tested to ensure their effectiveness.

**End of Document**