



Birchwood High School
Audit and Risk Committee Terms of Reference
Academic Year 2023-24
FGB Approval

Terms of Reference

The Audit and Risk Committee will act as a “critical friend” offering an external perspective to the Principal and the school: monitoring the audit function, offering support and advice, an external opinion, asking challenging questions, offering constructive criticism where appropriate and ensuring that the highest professional and ethical standards are met.

In accordance with legislation and the relevant education acts the Audit and Risk Committee must:

- Oversee and approve the Academy Trust’s financial , governance, risk management& internal control systems
- 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 as a critical part of the trust’s annual reporting requirements.

Membership: a minimum of three trustees (chairs of other governing body committees). Additional non trustees can be members, but must not out-number the trustee members, and do not have voting rights. Employees of the School may not be members of the Committee. At least one member of the audit and risk committee should have recent or relevant accountancy or audit assurance experience.

The Accounting Officer and CFO shall attend the Committee meetings but cannot be members of the Committee and do not have voting rights.

Quorum for the Committee: three trustee members of the Committee

Frequency of meetings: at least three times a year and as and when required.

Chair’s Responsibility:

- To chair meetings
- To set the agenda
- To arrange meetings and notify members
- Note decisions/options
- To arrange for the provision of written reports/minutes

Remit:

1. Financial reporting
 - a. To review the actions and judgments of management, in relation to the Academy’s financial statements, operating and financial review paying particular attention to:
 - i. critical accounting policies and practices, and any changes in them;
 - ii. decisions requiring a significant element of judgment;

- iii. the extent to which the financial statements are affected by any unusual transactions in the year and how they are disclosed;
 - iv. the clarity of disclosures;
 - v. significant adjustments resulting from the audit;
 - vi. the going concern assumption;
 - vii. compliance with accounting standards;
 - viii. compliance with Charity Commission and other legal requirements;
 - ix. material post balance sheet events;
- b. To consider other topics, as defined by the Full Governing Body.

2. Internal control and risk management

- a. To 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 Academies Trust Handbook.
- b. To conduct a regular review of the risk register
- c. To agree an annual programme of internal scrutiny / audit , which is objective and independent , covering systems, controls , transactions and risks
- d. To advise the trustees on the adequacy and effectiveness of the Trust’s systems of internal controls , governance and risk management processes
- e. To consider the appropriateness on executive action following internal audit/ scrutiny reviews and to advise the board on any additional or alternative steps to be taken
- f. To review the Academy’s procedures for detecting fraud and whistle blowing and ensure that arrangements are in place by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters;
- g. To oversee the school’s compliance with the General Data Protection Regulation and the Data Protection Act 2018;
- h. To receive reports from the school’s Data Protection Officer;
- i. To arrange for the preparation of and approve an Annual Internal Scrutiny Report, a short annual summary describing key areas reviewed, findings, recommendations & conclusions. To be submitted to the ESFA with the audited annual accounts .

3. Internal audit / Internal Scrutiny

- a. To consider annually who to appoint to fulfill internal audit / internal scrutiny function where no such function exists within the school structure;
- b. To review the reports of the appointed Internal Scrutiny provider on the effectiveness of the financial procedures and controls. These reports must be reported to the Full Governing Body.

4. External audit

- a. To recommend to the Full Governing Body the appointment or re-appointment of Auditors having consulted the Finance Committee about the appointment, in particular about the level of audit fee.
- b. Consideration of the audit plan, in advance of the field work;
- c. To review with the external auditors, the findings of their work, including, any major issues that arose during the course of the audit and have subsequently been resolved and those issues that have been left unresolved; key accounting and audit judgments; levels of errors identified during the audit, obtaining explanations from management and, where necessary the external auditors, as to why certain errors might remain unadjusted;
- d. To review and monitor the content of the external auditor’s management letter, in order to assess whether it is based on a good understanding of the Academy’s business and establish

whether recommendations have been acted upon and, if not, the reasons why they have not been acted upon.