



TERMS OF REFERENCE FOR THE REACH SOUTH BOARD RISK AND AUDIT COMMITTEE

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Policy Owner	Dean Ashton (CEO)
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The Board of Trustees (the **Trust Board**) of Reach South Academy Trust (the **Academy Trust**) has established a committee of the Trust Board to be known as the Risk and Audit Committee (the **Committee**). These are its terms of reference.

Membership

The Committee will be appointed by the Trust Board and will comprise no more than five and no fewer than three members, of whom a majority will be Trustees.

The Trust Board will appoint one of the members of the Committee as its chair (the **Chair**). For the avoidance of doubt, if the Chair of Trustees is a member of the Committee, they must not be appointed as the Chair of the Committee.

Employees of the Academy Trust shall not be members of the Committee.

The Committee will elect a Clerk to the Committee.

Attendance

The Committee may ask the Chief Executive Officer and the Finance Director and any other senior executive to attend meetings of the Committee either regularly or by invitation. Invitees have no right to attend Committee meetings.

The Committee will ask a representative of the external auditors and the head of internal audit to attend meetings as they consider necessary and in consultation with the representative of the external auditors. The Committee will ask the head of internal audit to attend all meetings. The Committee will have at least one annual meeting, or part of one meeting, with each of the external auditor and the head of internal audit without the senior executives being present.

Voting

The quorum for each meeting shall be one half of the members of the Committee rounded up and a majority of those present must be Trustees. Decisions of the Committee shall be taken by a simple majority of those present and voting. The Chair will have a casting vote on an equality of votes.

Meetings

The Committee shall meet termly on such dates as shall be determined by the Committee from time to time and at such other time, as the Clerk shall specify at the request of any member of the Committee.

The external or internal auditors can request a meeting if they consider that one is necessary.

Unless otherwise agreed, notice of each meeting confirming the venue, date and time together with an agenda shall be sent to each member of the Committee and any other person invited or required to attend no fewer than seven working days prior to the date of the meeting.

Minutes

The Clerk will minute the proceedings and resolutions of the Committee and ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.

Minutes of each Committee meeting will be sent to all members of the Committee and the Trust Board within seven working days of the meeting.

Authority

The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.

The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of any person at any Committee meeting with relevant experience and expertise if it considers this necessary.

Duties

In line with the Academy Trust Handbook (**ATH**), a primary function of the Committee is to direct the Academy Trust's programme of internal scrutiny and report to the Trust Board on the adequacy of the Academy Trust's financial and other controls and management of risks. In fulfilling this role, the Committee will agree an annual programme of work to deliver internal scrutiny that provides coverage across the year. The Committee will also review the risk register to inform that programme of work, ensuring checks are modified as appropriate each year.

More particularly, the duties of the Committee shall be:

- to comply with the ATH as amended from time to time;

External audit

- to discuss with the external auditor before the audit commences the nature and scope of the audit and to review the external auditor's plan each year
- to review the annual report and accounts before submission to the Trust Board, focusing particularly on:
 - any changes in accounting policies and practices
 - areas involving a significant degree of judgement
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with legal requirements
 - the clarity of disclosures
 - the consistency of accounting policies from year to year
- to consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal
- to assess the effectiveness and resources of the external auditor to provide a basis for decisions by the Academy Trust's Members about the auditor's reappointment or dismissal or retendering. Considerations may include:
 - the auditor's sector expertise
 - their understanding of the Academy 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 comments and recommendations in relation to key areas
 - the personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the Academy Trust's managers,
 - the auditor's use of technology.
- to produce an annual report of the Committee's conclusions on the above matters to advise the Trust Board and Members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.
 - to discuss problems and reservations arising from the audit and any matters the external auditor may wish to discuss (in the absence of the management where necessary)
 - to review the external auditor's management letter and the management's response

Internal audit

- to act as the body to whom the head of internal audit reports on the internal audit function and to discuss any issue that the head of internal audit may wish to raise (in the absence of the management where necessary)
- to review the internal audit function, consider the major findings of internal audit investigations and the management's response, and ensure co-ordination between the internal and external auditors
- to keep under review the effectiveness of internal control systems

Risk management

- to develop and keep under review risk management and measurement strategies across the Academy Trust together with the procedures for monitoring the adequacy and effectiveness of those processes
- to review the action and implementation of risk management policy across the Academy Trust
- to consider the Academy Trust's risk profile relative to current and future Academy Trust strategy and identifying any such trends, concentrations or exposures and any requirement for policy change
- to receive and review risk management and relevant regulatory information and reports
- to consider material breaches of the agreed risk limits, review the action taken in response and to prevent a repeat occurrence

Responding to findings

- to consider the effect on the Academy Trust of the findings of the internal audits or the external audits
- to consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations

Reviewing own effectiveness

- to review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness

In discharging its duties, the aims of the Committee are to:

- facilitate good communication between the Academy Trust and its external auditor
- increase the credibility and objectivity of financial reporting
- strengthen the independence of the audit function
- improve the quality of the accounting and auditing functions.