



**The Kemnal Academies Trust
Audit and Risk Committee
Terms of Reference**

1 Introduction

- 1.1 The Audit and Risk Committee (the Committee) is a Committee of the Board of The Kemnal Academies Trust (the Board).
- 1.2 The Board has established the Committee to support it in the discharge of its responsibilities for financial systems, operational controls, governance and risk, including health and safety, at TKAT and all its academies.

2 Role and Responsibilities of the Committee

- 2.1 The Audit and Risk Committee (“the Committee”) receives delegated authority from the Board. The primary purpose of the Committee is to provide assistance to the Board in fulfilling its legal and fiduciary obligations with respect to matters involving the risk management, internal control functions, accounting, auditing, financial reporting, fraud and health and safety compliance of the Trust.
- 2.2 The Committee may investigate any activity within these Terms of Reference and, within its scope of responsibilities, to seek any information it requires and to ensure the attendance of management representatives at meetings as appropriate.
- 2.3 The Committee has the authority to obtain outside legal or independent professional advice. The advisers may attend meetings as necessary and the cost of the advisers shall be borne by the Trust.
- 2.4 The Responsibilities of the Committee are to:

Risk and Governance

- 2.4.1 evaluate and advise the Board on the processes for control of risk and governance.
- 2.4.2 review the status of the TKAT Risk Register and the progress of actions identified as required to mitigate risks.
- 2.4.3 Consider reports from external sources, including ESFA financial management and governance reviews, funding audits and investigations
- 2.4.4 Review the quality of internal and external audit (see below)
- 2.4.5 review and update the Audit and Risk Committee Terms of Reference annually and recommend changes to the Board as necessary.

Internal Audit

- 2.4.6 Ensure effective internal controls framework.
- 2.4.7 with the Director of Finance and Operations, review and assess the annual internal audit work plan at the start of each financial year, ensuring that it includes the accuracy of and compliance with funding criteria.
- 2.4.8 Establish how internal audit will be delivered and receive reports on the results of the internal audit work.

- 2.4.9 review and monitor Corporate Services and the Academies' responsiveness to the findings and recommendations of the internal audit.
- 2.4.10 Work with the executive on the criteria and scope of the tender for the appointment of Internal Auditors, and the awarding of any contract.

External Audit

- 2.4.11 establish selection criteria for the appointment of external auditors and recommend their appointment or termination of appointment to the Board
- 2.4.12 consider the scope of the work of the external auditors.
- 2.4.13 with the external auditors, review the Annual Report & Accounts including accounting policies and related footnotes, and advise the Board of their findings and recommendations as set out in their annual management letter.
- 2.4.14 to review the letter of representation prior to management sign off
- 2.4.15 review and monitor Corporate Services and the Academies' responsiveness to the findings and recommendations of the external audit.

Oversight Functions

Fraud

- 2.4.16 review the Trust's procedures for detecting fraud and the arrangements by which internal and external stakeholders may, in confidence, raise concerns about possible improprieties in matters of financial reporting, financial control or any other matters.
- 2.4.17 make a recommendation for proportionate and independent review by external advisers to investigate matters of financial impropriety or fraud and follow up such conclusions.

Health and Safety

- 2.4.18 Monitor the implementation of the Health and Safety Policy and all relevant health and safety legislation, and ensure the policy remains effective and appropriate.
- 2.4.19 Review Health and Safety assistance provided to academy governors and employees, including regional health and safety committees.

3 Membership

- 3.1 The members of the Committee shall be appointed by the Board. The Committee shall comprise a minimum of three Trustees having appropriate experience to discharge their roles and responsibilities. A quorum shall require two Trustees. Employees cannot be members of this Committee.
- 3.2 The Chair of the Committee, who shall not also be the Chair of the Board, shall be nominated by the Chair of Board and approved by a formal Board resolution.
- 3.3 The duties and responsibilities of members of the Committee are in addition to those required of Trustees.
- 3.4 A member of the Committee shall normally serve for three years. The appointment of a Committee member who ceases to be a Trustee shall be terminated.

- 3.5 When deciding Chairmanship and membership of the Committee, the value of ensuring that Committee membership is refreshed and that undue reliance is not placed on particular individuals should be taken into account.

4 Attendance at Meetings

- 4.1 The Chief Executive Officer, the Director of Finance and Operations, and the Finance Manager shall normally attend meetings. Other Trustees not members of the Committee shall also have the right to attend.
- 4.2 The external auditors will be advised of all meetings and may attend if they so wish as observers.
- 4.3 The Committee may instruct any officer or employee of the Trust to attend to assist it with its discussions or provide expert advice on any particular matter.
- 4.4 As appropriate, the Committee may invite external advisers to attend meetings to provide legal, accounting and other advice on relevant agenda items.
- 4.5 The Committee may procure specialist advice ad-hoc at the expense of the Trust subject to budgets agreed by the Board.
- 4.6 The Committee may ask any or all of those who normally attend but who are not members of the Committee to withdraw to facilitate open and frank discussion of particular matters.

5 Frequency of Meetings

- 5.1 Meetings shall be held at least four times a year and scheduled to allow adequate time for Committee business
- 5.1.1 once in each of the three academic term, at a time preceding the termly Board Meeting so that the Committee can report promptly to the Board and
- 5.1.2 once per year to receive the annual Report and Accounts from the external auditors. The Committee may ask any or all of those who normally attend but who are not members of the Committee to withdraw to discuss any matters that either the Committee or the external auditors believe should be discussed privately.

The Committee may also meet more frequently as circumstances require.

- 5.2 The Chair of the Committee shall convene a meeting upon request by any Committee member who considers it necessary.
- 5.3 The Board or Corporate Services may ask the Committee to convene further meetings to discuss particular issues on which they want the advice of the Committee.

6 Notice and Information Requirements

- 6.1 Corporate Services will appoint a Secretary to serve the Audit and Risk Committee. Meetings of the Committee shall be called by the Secretary as scheduled or at the request of the Chair of the Committee. Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed shall be sent to each member of the Committee,

any other person invited to attend and all other Board members no fewer than 5 working days prior to the date of the meeting. Supporting papers shall be sent to Committee members and to other attendees as appropriate at the same time.

6.2 For each meeting the Committee will be provided with the reports relevant for an informed evaluation of the progress at each academy, and a report summarising any significant changes to the TKAT Risk Register.

6.3 Minutes of Committee meetings shall be kept for a period of at least 7 years.

7 Reporting Procedures

7.1 The Secretary shall minute the proceedings and resolutions of all meetings of the Committee. At the start of each meeting, the Secretary shall identify the existence of any conflicts of interest and minute them accordingly.

7.2 The Chair of the Committee shall report formally to the Board on proceedings after each meeting of the Committee on all matters within its roles and responsibilities and the minutes of the meetings shall be made available to the Board

7.3 The Committee shall make such recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.

7.4 If required by the Board, the Committee shall compile a report on its activities to be included in the Trust's annual Report & Accounts.

7.5 The Committee shall review its own performance, constitution and terms of reference at least once a year to ensure it is operating effectively and recommend any changes it considers necessary to the Board for approval.

By Order of the Board

Claire Lee

Company Secretary

March 2021