

UNIVERSITY ACADEMY KEIGHLEY TRUST

RISK AND AUDIT COMMITTEE

TERMS OF REFERENCE

1. Authority

The Academies Financial Handbook requires all Trusts to have either, a dedicated Audit Committee or must ensure it is part of another Committee.

The Risk and Audit Committee is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board. It is authorised to request any information it requires from any employee, external auditor, internal auditor or other assurance provider.

The Risk and Audit Committee is authorised to obtain outside legal or independent professional advice and assurance it considers necessary, normally in consultation with the Accounting Officer and/or Chair of the Board of Trustees. However, the Risk and Audit Committee may not incur expenditure in excess of £5,000 in doing so without the prior approval of the Trust Board.

2. Role

The role of the Risk and Audit Committee is to maintain an oversight of the Academy Trust's finance and audit governance, risk management, internal control and value for money framework. It will record its findings at the Board of Trustees meeting ensuring that the Accounting Officer and Finance Director (or equivalent) attend the meetings.

The Risk and Audit Committee has no executive powers or operational responsibilities/duties.

3. Membership of the Risk and Audit Committee

Chair of the Committee and two additional Trustees as a minimum

See item 6.4 regarding officer attendance as required.

4. Duties

The duties of the Risk and Audit Committee are to:

Audit Duties

4.1 Advise the Trust Board and Accounting Officer on the adequacy and effectiveness of the Academy Trust's finance and audit governance, risk management, internal control and value for money systems and frameworks.

4.2 Advise the Trust Board/Members on the appointment, re-appointment, dismissal and remuneration of the external and regularity auditor.

4.3 Advise the Trust Board on the need for, and then, where appropriate, the appointment, re-appointment, dismissal and remuneration of, an internal auditor or other assurance provider to enable the Board to sign the corporate governance statement in the annual accounts.

4.4 Advise the Trust Board on an appropriate programme of work to be delivered by independent assurance providers (external/internal auditors and other responsible officers). This programme of work to be derived from the Risk and Audit Committee's regard of the key risks faced by the Academy Trust, the assurance framework in place and its duty to report to the Trust Board as detailed in 3.1.

4.5 Meet with the external auditor without management present, at least annually.

4.6 Review the external/internal auditor's annual strategy/planning document and approve the planned audit approach.

4.7 Receive reports (annual reports, management letters etc) from the external/internal auditor and other bodies, for example the ESFA and NAO, and consider any issues raised, the associated management response and action plans.

4.8 Regularly monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.

4.9 Review all the Academy Trust's fraud response plans and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.

4.10 To ensure that any significant financial losses are investigated and reported to the ESFA where required in accordance with the Academies Financial Handbook.

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Finance Duties

Financial Management Policy

4.11 To prepare the academy's Financial Management Policy (including financial responsibilities to be delegated to the Head of School):

- in accordance with the Academies Financial Handbook
- after considering relevant advice from the ESFA, OFSTED, the Audit Commission and DfE
- after consulting the Head of School

4.12 To report the policy to the Trust Board.

4.13 To monitor the implementation of the policy and to report to the Trust Board.

4.14 To review the policy at least once every year and whenever relevant advice is received from the ESFA, OFSTED, the Audit Commission or DfE.

4.15 To review the purchasing policy, lettings policy and best value statement on an annual basis.

Academy budget

4.16 To prepare the academy budget in line with the priorities set out in the School Development/Improvement Plan (including Financial Plan) and in accordance with the academy's "Object" as stated in the Articles of Association.

4.17 To agree the budget and report details to the next available Trust Board for information in time to meet the ESFA's budget deadlines.

4.18 To monitor the academy budget and report to the Trust Board. Ensure the academy operates within the financial regulations of the ESFA agreement and the Academies Financial Handbook (AFH).

4.19 To monitor virements/adjustments to the academy budget and any other variations to the original budget; agree appropriate action to address the issues raised by the need for virement/adjustment; and report them to the next meeting of the Trust Board.

4.20 To monitor pupil number trends regularly to assess the effect on the budget allocation.

4.21 To consider and advise the Trust Board on the financial implications of adopting any policy under consideration with significant budget implications.

4.22 To undertake an annual review of all expenditure with a view to achieving "Best Value" in respect of the use of the delegated budget allocation.

4.23 To undertake an annual review of all sources of income received by the academy to ensure fees and charges remain appropriate and in line with any increase in costs; and to monitor income received against the budget estimate as with expenditure.

4.24 To prepare and then review the academy's Charges and Remissions Policy and the policy on lettings (including charges) on an annual basis (and, at other times, as appropriate) and report its conclusions to the Trust Board.

4.25 To approve applications for use of the academy premises in accordance with the policy of the Trust Board and after consulting the PFI partner if appropriate (The Trust Board – but not the committee, which cannot delegate responsibility – may wish to delegate this responsibility to the Head of School. In such cases, the committee should receive reports on the Head of School's decisions).

4.26 To report to the Trust Board the level of financial delegation afforded to the Risk and Audit Committee (if applicable) and Head of School in respect of expenditure orders.

4.27 To review and make decisions in respect of service agreements and contracts including consideration of insurances and business continuity arrangements.

4.28 To make decisions on expenditure following recommendations from other committees.

Repairs and maintenance

4.29 To monitor the condition of the academy premises and take appropriate action with the PFI partner

4.30 To report on the requirements for the annual repairs and maintenance programme in accordance with PFI Partners;

4.31 To monitor the performance of site management and cleaning staff and take any appropriate action with the PFI partner

4.32 To ensure all statutory responsibilities for the health and safety of all pupils, staff and visitors are met and any appropriate action is taken with the PFI partner.

Improvements and Developments

4.33 To consider options for building improvements and/or new developments including health and safety requirements within the needs and priorities identified in the Asset Management Plan or its' equivalent and with the agreement of the PFI partner.

4.34 To ensure the security of the premises is monitored and appropriate action is taken where necessary with the PFI partner.

4.35 To report the details for spending any academy's devolved capital funding and other building funds (as appropriate) and to agree any specifications for any building work undertaken after consultation with the PFI partner.

4.36 To support the Head of School with any funding bids.

4.37 To establish and keep under review an Accessibility/Special Educational Needs and Disability Act (2001) plan in liaison with the PFI partner as appropriate.

Academy fund (and any other funds held by the trust Board)

4.38 To monitor the balance and expenditure of any other funds held by the Trust Board and to report on these, at least annually, to the Trust Board.

4.39 To ensure that there is an annual audit of any other funds held by the Trust Board undertaken by persons independent of operating those funds, and to ensure that the results are reported to the Trust Board.

Register of Business Interests

4.40 To ensure the academy's Register of Business Interests is kept up-to-date.

Whistle Blowing Policy

4.41 To ensure that the academy's Whistleblowing Policy is formally adopted by the Trust Board and to agree arrangements with the Head of School for ensuring all staff in the academy are aware of its content.

Charges and remissions Policy

4.42 To ensure the academy's Charges and Remissions Policy is kept up to date

Contribution to Academy Self review

4.43 To review on an annual basis and in partnership with the Head of School, how far statutory requirements are being met and to report any required review to the Trust Board.

4.44 To report to the Trust Board priorities relating to financial issues for inclusion in the School Development/Improvement Plan.

4.45 To review academy benchmarking data against similar schools/academies when details are available.

5. Financial & Risk Management and Policies

5.1 To annually review the Trust's financial management policies and its' reporting arrangements.

5.2 To review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.

5.3 To provide assurance to the Board of trustees that risk is being managed and mitigated highlighting all high risks.

5.4 To ensure the Trust has in place robust policies relating to Whistleblowing, Fraud and Bribery and that both the policies and procedures are communicated to staff.

5.5 To review any recommendations made by the secretary of State for education for improving the financial management of the Academy.

5.6 To oversee procedures are in place to ensure Business Continuity in Extraordinary Circumstances.

6. Administration

6.1 The Risk and Audit committee will meet as part of the governance annual programme of meetings.

6.2 The Chair of the Board of Trustees should not be Chair of the Risk and Audit Committee.

6.3 Employees of the Academy Trust can be requested to attend a Risk and Audit Committee meeting but will have no voting rights.

6.4 The Accounting Officer, Finance Director and other members of the Academy Trust staff (as required) should be invited to attend, but will have no voting rights.

6.5 Administrative support will be provided by the Clerk to the Board.

6.6 Agendas will be agreed in advance by the Chair of the Risk and Audit Committee (based on, but not limited to, a pre-agreed annual schedule of activity) and papers will be circulated to members and attendees at least 5 working days in advance of the meeting.

6.7 Minutes of meetings will be taken and once approved in draft by the Chair of the Risk and Audit Committee, be submitted to the next scheduled meeting of the Board of Trustees.

6.8 The Risk and Audit Committee will review these terms of reference and self-assess its performance against these terms of reference on an annual basis.