

Terms of Reference:

Audit and Risk Committee:

The board of directors (the Trust Board) of Hamwic Education Trust (HET) has established a committee of the Trust Board to be known as the Audit and Risk Committee (the Committee).

Committee Purpose:

The Committee's purpose is to maintain a strategic oversight of the Trust's external/internal audit processes, risk management, internal control and value for money framework.

Membership:

- The number of directors appointed to the committee by the Trust Board will be a minimum of 3 and a maximum of 5
- A Chair of the Committee will be appointed by the Trust Board
- The Committee will be supported by the Clerk to the Trust Board
- The CEO, DCEO Business and Chief Financial Officer will attend Committee meetings to provide information and advice
- Additional Trust staff will attend Committee meetings to provide information and advice when required
- The committee will ask a representative of the external auditors to attend meetings as they consider necessary

Authority:

The committee is authorised by the Trust board to:

- Undertake any activity authorised by these terms of reference
- Seek any appropriate information that it requires from any employee of the Trust and all employees are directed to co-operate with any request made by the Committee
- The Committee is authorised by the Board to obtain outside legal or other independent professional advice if it considers this necessary

Quorum:

- The quorum for each meeting will be 50% of the membership rounded up.
- Decisions of the Committee will be taken by a simple majority of those present
- No vote on any matter shall be taken at a meeting of the Committee unless a member of the Trust board is present
- The Chair of the Trust Board cannot also be the Chair of the Committee
- The Chair will have the casting vote where the vote is tied

Meetings:

- The Committee will meet at least three times per year
- Any two committee members can request that the Chair convene a meeting by giving no less than 14 days notice

- Meetings can be requested by the external or internal auditors 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 few than seven clear days prior to the date of the meeting
- If the Chair is not able to attend the Committee a temporary Chair may be appointed for the purposes of the meeting by the Committee members
- A register of attendance shall be kept for each Committee and published annually
- The minutes of the Committee will be shared with the Trust Board
- Minutes will be produced, approved by the Chair and circulated to the members of the Committee within 14 days of the meeting.

Responsibilities:

External Audit:

- To consider the appointment of the external auditor and assess the independence of the external auditor, ensuring that key audit personnel are rotated at appropriate intervals.
- To recommend the audit fees to the Trust Board and pre-approve any fees in excess of £10,000 in respect of non-audit services provided by the external auditor and to ensure that the provision of non-audit services does not impair the external auditors' independence or objectivity.
- To oversee the process for selecting the external auditor and make appropriate recommendations through the Trust Board to the members of the Trust to consider at any general meeting where the accounts are laid before members.
- To discuss with the external auditor, the nature and scope of each forthcoming audit and to ensure that the external auditor receives the fullest co-operation.
- To discuss problems and reservations arising from the audit and any matters the external auditor may wish to discuss (in the absence of the executive team where necessary)
- Reviewing the nature and scope of the external audit strategy and plan.
- To review the external auditor's annual management letter and all other reports and recommendations, together with the appropriateness of the management's response.
- To review the performance of the external auditor on an annual basis using appropriate performance indicators.
- To recommend to the Trust Board the appointment / re-appointment of the external auditor.
- To review and consider the circumstances surrounding any resignation or dismissal of the external auditor.
- Securing appropriate liaison between external and internal audit.

Internal Audit:

- To be responsible for the Trust's programme of internal audit and to ensure that the internal audit function is adequately resourced and has appropriate standing.
- To review the reports and recommendations of the internal auditors, together with the appropriateness of the management's response.
- To monitor the implementation of actions agreed by management in response to reports from the external auditor and internal auditor.

- Considering and advising the Trust Board on the appointment and terms of engagement of the internal audit service.
- Considering and advising the Trust Board on the internal audit service's audit risk assessment strategy.
- Promoting and securing appropriate co-ordination between the internal and the external auditors.
- Establishing and monitoring appropriate performance indicators to measure the effectiveness of the work of internal audit and advising the Trust Board accordingly.

Financial Management:

- To keep under review, the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the annual accounts and financial statements, prior to submission to the Trust Board, paying particular attention to:
 - critical accounting policies and practices, and any changes in them
 - the consistency of accounting policies from year to year
 - decisions requiring a major element of judgement
 - the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed
 - the clarity and transparency of disclosures
 - significant adjustments resulting from the audit
 - the going concern assumption
 - compliance with accounting standards
 - compliance with DfE and legal requirements
- To review the Trust's policy and procedures for handling allegations from whistleblowers. Ensure the organisation is taking appropriate steps to reduce its exposure to potential reputational damage
- To review the Trust's policies and procedures for handling allegations of fraud, bribery and corruption.
- To receive reports on the outcome of investigations of suspected or alleged impropriety.
- To ensure that any significant losses are investigated and reported to the DfE where required.

Risk Management and Internal Control:

- To review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of financial risks.
- To review the Trust's risk registers.
- To keep under review, the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, the internal auditor, the external auditor and any other relevant independent assurances or reports (e.g. from the National Audit Office).
- To review all financial risk and control related disclosure statements, in particular the Trust's annual "Statement on Internal Control", together with any associated reports and opinions

from management, the external auditor and internal auditor, prior to endorsement by the Trust Board.

- To review any recommendations made by the Secretary of State for Education for improving the financial management of the Academies.

Financial Procedures:

To prepare the financial statement to form part of the annual report of the Trust Board to stakeholders and for filing in accordance with requirements of the Companies Act, Charity Commission and Funding Agreement (including the Academies Financial Handbook).

General:

To review or investigate any other matters referred to the Committee by the Trust Board.

To draw any significant recommendations and matters of concern to the attention of the Trust Board.

Policies:

The following policies will be reviewed and scrutinised for recommendation to the Trust Board:

- Anti-Fraud
- Accounting
- Risk Management
- Whistleblowing

Terms of Reference Review/Approval:

The Committee will review its work and these terms of reference annually and will report the outcome and make recommendations to the Trust Board as appropriate.