

# Audit & Risk Committee

## Terms of Reference for Brooke Weston Trust

### 1. Constitution

- 1.1 The Brooke Weston Trust (the “Trust”) is governed by a Board of Directors (the “Directors” or “Trustees”) which is responsible for, and oversees, the management and administration of the Trust and its Academies.
- 1.2 As provided by Articles 100-104 of the Articles of Association, the Directors:
  - i. may appoint separate committees to be known as Local Governing Bodies for each Academy; and
  - ii. may establish any other committee
- 1.3 The Board of Directors of Brooke Weston Trust hereby resolves to establish a committee of the Trust Board to be known as the “Audit and Risk Committee”.

### 2. Membership

- 2.1 The Committee shall be comprised of at least three members and a maximum of five members, including at least one Director of the Board (one of whom will be the Chairperson of the Board).
- 2.2 The appointment of members to the Audit and Risk Committee shall be approved by the Board of Directors.
- 2.3 The Committee’s current members are:
  - Sir Peter Simpson (Chair)
  - Richard Morrison
  - Dr Andrew Campbell (CEO) (Adviser)
  - Debbie Tysoe (Finance Director) (Adviser)
  - Tim Laws (Senior Operations Manager) (Adviser)
- 2.4 Members of the Committee may serve for a term of not more than four years, renewable only by the Board at their discretion, with a recommended maximum of two four year terms.
- 2.5 The Committee shall at the first meeting elect a member to act as the Chair of the Committee. The Committee will elect a temporary replacement from among the members present at the meeting in the absence of the Chair.
- 2.6 No person may act as Chair unless they are also a member of the Trust Board.
- 2.7 The Committee may invite attendance at meetings from persons who are not Directors or members to assist or advise on a particular matter or range of issues i.e. the Chief Executive Officer and Finance Director. Such persons may speak with the permission of the Chair but shall not be entitled to vote.
- 2.8 The Committee will elect a Clerk to the Committee who will take notes of meetings.

### 3. Remit and Responsibilities

- 3.1 The Committee shall be responsible for the matters set out below:

#### **Overall purpose and responsibility**

**Governance: Terms of Reference**

- 3.1.1** To assist the Board of Directors fulfil its corporate governance and oversight responsibilities in relation to the trust's financial reporting, internal control systems, risk management systems, regulatory compliance procedures and internal and external audit functions.

**Main Duties****3.1.2 Internal controls and risk management systems**

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 Executives, the External Auditor and any other relevant independent assurances or reports (e.g. from the National Audit Office).

- 3.1.3** To review and approve the statements to be included in the annual report concerning internal control, risk management and the viability statement.

- 3.1.4** To review all risk and control related disclosure statements, in particular the Trust's annual Governance Statement, Statement on Regularity, Propriety and Compliance and Value for Money Statement, together with any associated reports and opinions from management, and the External Auditor prior to endorsement by the Trust Board.

**3.1.5 Risk and Health & Safety**

Following initial scrutiny by the BWT Health and Safety Committee, the committee shall review the Trust's risk management and Health & Safety processes and procedures for the identification, assessment, evaluation, management and reporting of risks.

- 3.1.6** To review the adequacy and robustness of risk registers.

**3.1.7 Safeguarding systems**

Following initial scrutiny by the BWT Safeguarding Review Group, the committee shall review the Trust's quality assurance processes and procedures for the identification, handling and processing of safeguarding referrals in line with best practice.

**3.1.8 Compliance, whistleblowing and fraud:**

To review the adequacy and security of the Trust's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing. This will include the review of the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

- 3.1.9** To review the Trust's procedures for detecting fraud;

- 3.1.10** To review the Trust's systems and controls for the prevention of bribery and receive reports on non-compliance;

- 3.1.11** To receive reports on the outcome of investigations of suspected or alleged impropriety.

**3.1.12 Financial Reporting:**

The Committee shall 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 interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Trust Board, paying particular attention to:

- the application of significant accounting policies and any changes to them;

**Governance: Terms of Reference**

- the methods used to account for significant or unusual transactions where different approaches are possible;
- compliance with DfE and legal requirements;
- significant adjustments resulting from the audit;
- the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed;
- whether the Trust has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements; and
- all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management.

**3.1.13 Internal audit**

To review and approve the role and mandate of internal audit, monitor and review the effectiveness of its work, and annually approve the internal audit charter ensuring it is appropriate for the current needs of the organisation.

- 3.1.14** To review and approve the annual internal audit plan to ensure it is aligned to the key risks of the business, and receive regular reports on work carried out.

**3.1.15 External audit**

To consider and make recommendations to the Board in relation to the appointment, re-appointment and removal of the Trust's external auditor.

- 3.1.16** Oversee the relationship with the external auditor. In this context the committee shall:

- approve their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted; and
- approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit;
- Assess the independence of the External Auditor, ensuring that key audit personnel are rotated at appropriate intervals and to review the performance of the External Auditor on an annual basis;
- 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.
- Review the External Auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response;
- Review the reports and recommendations of the internal management team, together with the appropriateness of management's response; to monitor the implementation of action agreed by management in response to reports from the External Auditor, internal management team and Education and Skills Funding Agency (ESFA).

**3.1.17 Other matters**

The committee shall:

- Review or investigate any other matters referred to the Committee by the Trust Board;
- Draw any significant recommendations and matters of concern to the attention of the Trust

**Governance: Terms of Reference**

Board, and in cases of urgent matters directly to members of the Trust Board.

- Ensure the trust complies with all other areas of legislation for example Data Protection, Employee legislation

**4. Proceedings**

- 4.1 The Committee will meet as often as is necessary to fulfil its responsibilities but at least four times a year, before the scheduled Board of Directors meetings and in line with the Trust's financial calendar.
- 4.2 The Clerk to the Committee shall give written notice of each meeting and circulate an agenda and any other reports or papers, provided by the Chair and CEO, to be considered at the meeting. This will be circulated at least seven clear days in advance of each meeting.
- 4.3 Any two members may call a meeting by giving written notice to the Clerk, which includes a summary of the business they wish to carry out. It shall be the responsibility of the Clerk to convene a meeting as soon as reasonably practicable.
- 4.4 A quorum shall consist of two members of the Committee, plus the CEO and Finance Director.
- 4.5 Every matter to be decided at a meeting of the Committee must be determined by a majority of the votes of the members present and voting on the matter.
- 4.6 Each member present in person shall be entitled to one vote.
- 4.7 Where there is an equal division of votes the Chair shall have a casting vote.
- 4.8 Any Member or Director of the Board may attend of the Audit and Risk Committee, provided that notice of attendance is provided to the clerk in advance.

**5. Authority**

- 5.1 The Committee is authorised by the Trust Board to:
  - 5.1.1 obtain appropriate external legal and other professional advice in order to fulfill its responsibility to the Board of Directors
  - 5.1.2 carry on any activity authorised by these terms of reference; and
  - 5.1.3 seek any appropriate information that it requires from any officer of the Trust and all officers shall be directed to co-operate with any request made.

**6. Reporting Procedures**

- 6.1 Within 14 days of each meeting the Committee will (together called the Committee Reports):
  - produce and agree minutes of its meetings;
  - provide a summary document identifying (1) decisions made, (2) recommendations to the Trust Board, (3) items for information for the Trust Board and (4) items for further discussion by the Trust Board.
  - the Committee Reports will be sent to all members of the Trust Board within 21 days of each meeting.
- 6.2 The Committee shall arrange for the production and delivery of such other reports or updates as requested by the Trust Board from time to time.
- 6.3 The Chair of the Committee or, as a minimum, a member of the Committee, shall attend the Trust Board meeting at which the annual accounts and financial statements are approved.

**Governance: Terms of Reference**

- 6.4 The Committee shall conduct an annual review of its work and these terms of reference and shall report the outcome and make recommendations to the Trust Board.