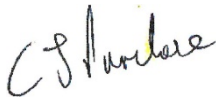




CASTLE Trust

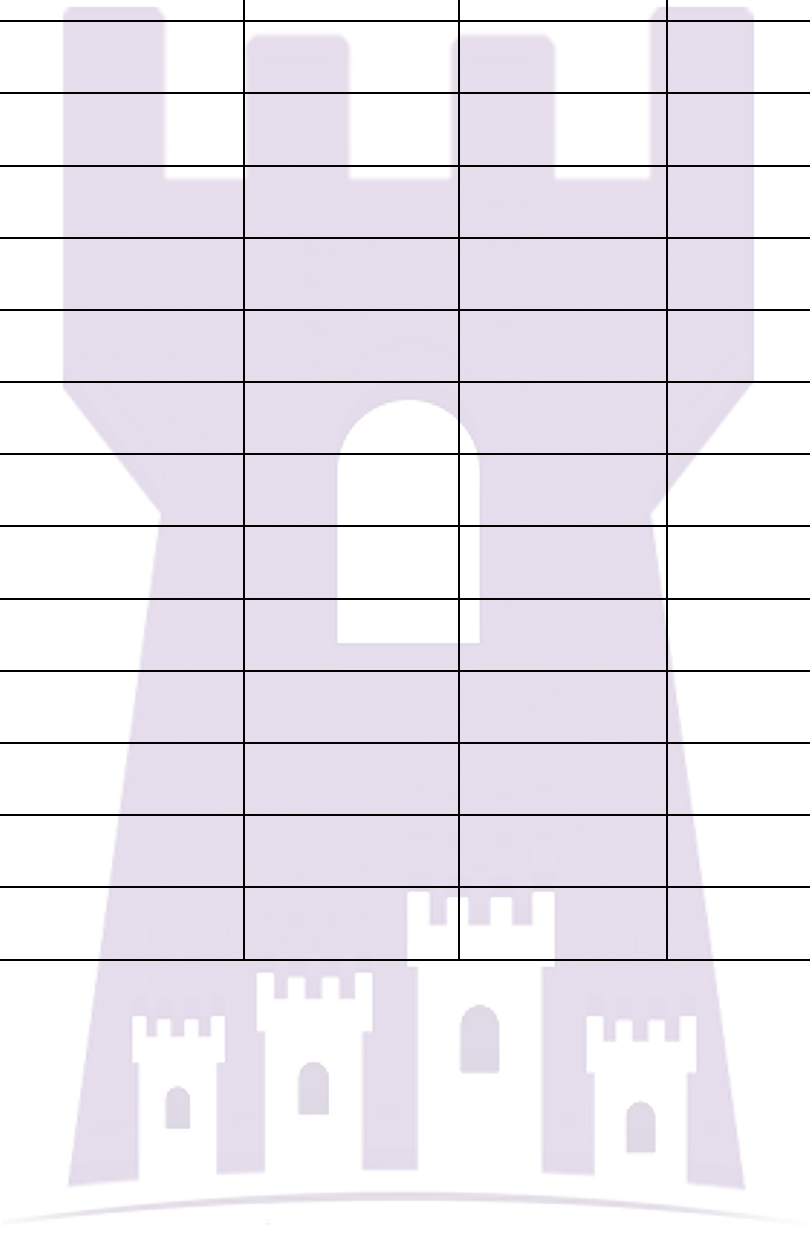
Audit Committee Terms of Reference

Review/Update By:	Emma Taaffe, Governance & Data Manager
Approved By Trust Board (signature):	 C Purchase, Trust Board Chair
Date Approved:	19/09/2019
Next Review Due:	T1 2020/21

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Audit Committee Terms of Reference - Record of Amendments

Amendment No.	Nature of Amendment	Page Number	Date of Amendment	Author	Amendments approved & re-issued



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1. Purpose

The Audit and Resources Committee (the Committee) has delegated authority from the Castle Trust Board (the Board) to undertake the tasks outlined in these Terms of Reference in order to assist the Board in its oversight and financial scrutiny of the Trust and its constituent academies and schools.

2. Compliance

2.1. Is this a Statutory Policy?

No.

2.2. Legal Framework

The Terms of Reference reflect the requirement within the Academies Financial Handbook that the Trust must establish an audit committee, appointed by the Board, to direct the Trust's programme of internal scrutiny and report to the Board on the adequacy of the Trust's financial and other controls and the management of risks.

2.3. Sharing and Publication Requirements

These Terms of Reference MUST be shared with the Board and the Committee Members as well as the Executive Leadership Team.

2.4. Review and Update

The Committee shall review these Terms of Reference annually and make recommendations to the Board as necessary.

3. Terms of Reference

In undertaking the tasks set out in these Terms of Reference, the Committee MUST:

- ensure good financial management and effective internal controls.
- comply with the funding agreements with the Department for Education (DfE) and with the Education & Skills Funding Agency's (ESFA) [Academies Financial Handbook](#). It must also have regard to the DfE's [Governance Handbook](#).
- ensure that information sent to the DfE and EFA that affects funding is accurate and compliant.

3.1. Constitution and meetings

- The Committee will consist of at least four Castle Trust Directors, who the Board considers have the necessary knowledge, skills and experience to properly fulfil the Committee functions.
- Neither the Chief Executive Officer or Chief Finance Officer shall be members of the Committee but MUST attend meetings and report back to the Committee.

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- The Committee shall appoint a Chair at the first meeting of every academic year.
- The Committee may invite to meetings persons who are not Directors to provide assistance or advice, including professional advice. Such persons may speak and partake in discussions but will not be entitled to vote.
- The Committee shall meet as often as necessary to fulfil its responsibilities.
- Any two Committee members can request that the Chair convene a meeting, by giving at least 14 days' notice.
- The Quorum for each meeting will be three Committee Members.
- Each Committee Member shall have one vote.
- A register of attendance at committee meetings will be kept and published annually on the Trust's website and in the Trustees' Annual Report.
- Each Committee meeting will be minuted by the Governance and Data Manager or in their absence, one of the Trust's Clerks.
- The Committee may nominate specific members to carry out tasks on its behalf within these Terms of Reference. Any such action taken must be reported back to the next Committee meeting.

3.2. Authority

The Committee is authorised by the Board to:

- Carry on any activity authorised by these Terms of Reference; and
- To 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.

3.3. Reporting to the Board

Except where all Board Directors are also members of the Committee (in which case the Board's knowledge of Committee business will be assumed), after each Committee meeting, the Committee Chair will make a verbal report to the Board at the closest Board meeting. This report will summarise:

- Decisions made
- Recommendations to the Board
- Items for the information of the Board
- Items for further discussion by the Board

Once approved by the Committee, the minutes of each meeting will be shared with the Board.

3.4. Delegated Tasks

3.4.1. Audit

- advise the Board on the adequacy and effectiveness of the Academy Trust's systems of internal control and its arrangements for risk management, control and

governance processes, and securing economy, efficiency and effectiveness (value for money);

- review the statement on internal control and make appropriate recommendations to the Board;
- advise the Board on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit);
- monitor the effectiveness of auditors, including the use of auditor performance indicators;
- ensure that additional services undertaken by the auditors is compatible with the audit independence and objectivity;
- agree the annual audit programme (considering the Risk Register), including the Responsible Officer's programme and ensure that the Responsible Officer function is adequately resourced and has appropriate standing within the Trust;
- Agree who will carry out work associated with annual audit programme and receive reports from them at Committee meetings;
- consider the reports and recommendations of external auditors and of the Responsible Officer, together with the appropriateness of management's response and progress in addressing recommendations;
- advise the Board of any material control issues;
- monitor the implementation of agreed audit recommendations, including those of the Responsible Officer;
- ensure that all allegations of fraud and irregularity are appropriately investigated, and controls weaknesses addressed;
- recommend the annual financial statements to the Board for approval;
- review the committee's membership and effectiveness on an annual basis to ensure that it has appropriate skills and relevant experience;
- consider outputs from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations.

3.4.2. Risk Management

- To receive and consider regular Risk Management Reports, advising management and raising material issues with the Board as appropriate;
- Ensure that the Trust has a Risk Register in place that is reviewed annually and remains relevant and appropriate to the Trust's needs and strategy.
- Review the Risk Register to inform the annual audit programme

4. Links to Other Policies and Key Documents

- Trust Financial Procedures Manual
- Trust Risk Register
- Trust Governance Toolkit