

Audit Committee Terms of Reference

Constitution

The Governing Board ("the Board") has resolved to establish an Audit Committee in accordance with the provisions of the Articles of Association to advise the Board on matters relating to the Trust's audit arrangements and systems of internal control. This Committee shall operate in accordance with any requirements of the Education and Skills Funding Agency and any other relevant national funding bodies. It is responsible to the Board.

Authority

The Committee is authorised by the Board to:-

- i. investigate any activity within its terms of reference.
- ii. seek any information it requires from the internal audit service, the financial statements auditor, Governors, Committees and PSCA employees, plus relevant information from subcontractors and other third parties.
- iii. obtain external professional advice.

NB. The Board must not add to these terms of reference responsibilities that require the Audit Committee to adopt an executive role, or its members to offer professional advice to the Board. The Audit Committee should seek formal professional opinions from the internal audit service, financial statements auditor or other professional advisers to the Board. Advice should only be given in Committee members' capacity as Governors and co-optees and only within their terms of reference.

Membership and quorum

The Board may co-opt persons to the Committee who are not Governors. The Committee shall consist of a minimum of 3 and a maximum of 6 members (of whom at least two shall be Governors and at least one of whom shall have the relevant skills and expertise).

Committee members will receive appropriate training and support to make sure that they can fulfil their duties.

The term of office for any Committee member shall be four years. Subject to remaining eligible to be a Committee member this can be extended for another term.

Employees should not be members of an Audit committee but the accounting officer and other relevant staff should routinely attend to provide information and participate in discussions.

50% of members, rounded up represent a quorum, provided that there are a majority of Board members present.

Chairmanship

The Chair of the Committee shall be appointed by the Board and will normally be a Governor to allow effective feedback to the Board. If the Chair is absent from a meeting, the members shall choose one of their number to act as Chair for that meeting.

Meetings

1. The Committee shall meet as necessary but normally at least once per term. The Chair or any two members may call a meeting.
2. The meetings shall be timely with the work of the Academy's internal audit service and the financial statements auditor.
3. Non-members may be invited to attend meetings.
4. Other Board members shall not have the right to attend meetings.
5. The Clerk to the Committee will keep appropriate records of the proceedings.
6. The minutes of Committee meetings shall be circulated to all Board members.

Duties

The duties of the Committee shall include:-

1. responsibility for monitoring the adequacy and effectiveness of the Academy's systems of internal control (including review of the statement of internal control) and its arrangements for risk management, control and governance processes and for securing economy, efficiency and effectiveness (value for money).
2. advising the Board on the appointment, re-appointment, dismissal and remuneration of the financial statements auditor and the internal audit service.
3. advising the Board on the scope and objectives of the work of the internal audit service and the financial statements auditor.
4. ensuring effective co-ordination between the internal audit service and the financial statements auditor

5. considering and advising the Board on the audit strategy and annual internal audit plans for the internal audit service.
6. advising the Board on internal audit assignment reports and annual reports and on control issues included in the management letters of the financial statements auditor, and management's responses to these.
7. monitoring, within an agreed timescale, the implementation of agreed recommendations relating to internal audit assignment reports, internal audit annual reports and the financial statements auditor's management letter.
8. considering and advising the Board on relevant reports by the National Audit Office, the Education and Skills Funding Agency (including those from the local provider financial assurance teams) and other funding bodies and, where appropriate, management's response to these.
9. establishing, in conjunction with Academy management, relevant annual performance measures and indicators and monitoring the effectiveness of the internal audit service and financial statements auditor through these measures and indicators and deciding, based on this review, whether a competition for price and quality of the audit service is appropriate.
10. monitoring the Academy's risk management plan and advising the Board on its adequacy and effectiveness
11. producing an annual report for the Board and accounting officer which should include the Committee's advice on the effectiveness of the Academy's risk management, control and governance processes and any significant matters arising from the work of the internal audit service and the financial statements auditor.
12. monitoring and advising the Board on any alleged fraud and irregularity in the Academy's financial and other control systems and ensuring that all allegations of fraud and irregularity are properly followed up.
13. being informed of all additional services undertaken by the internal audit service and the financial statements auditors.
14. recommending the annual financial statements to the Board for approval.
15. monitoring the effectiveness of the Academy's whistleblowing procedures meeting privately with the Internal and External Auditors, and separately with the Director of Finance at least once a year.
16. reviewing annually its terms of reference and its own effectiveness and recommend any changes to the board.
17. publishing its approved terms of reference on the Academy's website.

These Terms of Reference were discussed and approved by the Governing Body on 19 September 2018.

Further minor changes were made by the Audit Committee during their meeting on 19 October 2018.