



# AUDIT & RISK COMMITTEE

## Terms of Reference

### **Membership**

Membership to be decided at the start of each academic year. The Accounting Officer and Chief Financial Officer should also attend these meetings with a minimum membership level of three Governors at all meetings. The committee will be assisted and advised by relevant members of staff and, when appropriate, other bodies.

### **Quorum**

The quorum is a minimum of 3 Governors of the agreed membership.

### **Clerking**

The Governance Professional will provide professional clerking. The Governance Professional will circulate the minutes of all meetings to all members of the Committee.

### **Meeting Frequency**

The committee will meet at least once in each school term. In circumstances where a decision is required in a timely fashion an interim meeting may take place.

### **Minutes**

The minutes and actions will be distributed to all members. The agenda and papers for submission will be issued not later than 5 working days before the meeting. Items for the agenda should be sent to the Chair and Governance Professional in advance of the agenda being issued.

### **Conflict of Interest**

This will be a standing item on each agenda, allowing members to declare any interest on items being discussed (this will include items already declared on the annual business interest declaration).

### **Recommended Training**

Governors serving on this committee should attend the following training

- Financial awareness
- Health and Safety awareness (one Governor)

### **Statutory Policies**

This committee does not have any responsibility for any statutory or non-statutory policies as per the review cycle.

### **Delegated Responsibilities**

The object of the Committee is to provide independent assurance to the board that its financial and non-financial controls and risk management procedures are operating effectively. Internal scrutiny will focus on:

- Evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are designed effectively and efficiently, and checking whether agreed procedures have been followed
- Offering advice and insight to the board on how to address weaknesses in financial and non-financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of Parkstone Grammar School Trust



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- Ensuring all categories of risk are being adequately identified, reported and managed
- Parkstone Grammar School Trust will identify on a risk-basis (with reference to its risk register) the areas it will review each year, modifying its checks accordingly

The Audit and Risk Committee will:

- Oversee and approve the trust's programme of internal scrutiny
- Ensure that risks are being addressed appropriately through internal scrutiny
- Report to the board on the adequacy of the Parkstone Grammar School Trust's internal control framework, including financial and non-financial controls and management of risks
- Review the external auditor's plan each year
- Review the auditor's findings and actions taken by the trust's managers in response to those findings
- Assess the effectiveness and resources of the external auditor to provide a basis for decisions by the trust's members about the auditor's reappointment or dismissal or retendering. Considerations may include:
  - The auditor's sector expertise
  - Their understanding of the trust and its activities
  - Whether the audit process allows issues to be raised on a timely basis at the appropriate level
  - The quality of auditor comments and recommendations in relation to key areas
  - The personal authority, knowledge and integrity of the audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
  - The auditor's use of technology
- Produce an annual report of the committee's conclusions to advise the Governance Board and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration.

Internal Scrutiny will be:

- Independent and objective – it will not be performed by the Parkstone Grammar School Trust's own accounting officer, chief financial officer or other members of the senior leadership or finance team
- Conducted by someone suitably qualified and experienced and able to draw on technical expertise as required
- Covered by a scheme of work, driven and agreed by the Audit and Risk Committee, and informed by risk
- Timely, with the programme of work spread appropriately over the year so higher risk areas are reviewed in good time
- Include regular updates to the Audit and Risk Committee by the person(s) or organisation(s) carrying out the programme of work, incorporating:
  - A report of the work to each Audit and Risk Committee meeting, including recommendations where appropriate to enhance financial and non-financial controls and risk management
  - An annual summary report to the Audit and Risk Committee for each year ended 31 August outlining the areas reviewed, key findings, recommendations and conclusions, to help the committee consider actions and assess year on year progress.
- Whilst the Audit and Risk Committee is responsible for overseeing the internal scrutiny, the findings must also be made available to all Governance Board promptly