

**Terms of Reference**

**The Small Schools Multi Academy Trust**

**Risk and Audit Committee**

The Board of Trustees (the **Trust Board**) of The Small Schools Multi Academy Trust (TSSMAT- the **Trust**) has established a committee of the Trust Board to be known as the Risk and Audit Committee (the **Committee**). These are its terms of reference.

**Membership**

* The Committee will be appointed by the Trust Board and will comprise no more than five and no fewer than three members.
* The Trust Board will appoint one of the members of the Committee as its chair (the **Chair**).
* The Committee will be supported by the Clerk to the Board.

**Attendance**

* The Committee may ask the Chief Executive Officer and the Business Operations Director to attend meetings of the Committee either regularly or by invitation. Invitees have no right to attend Committee meetings.
* The Committee will ask a representative of the external auditors to attend meetings as they consider necessary and in consultation with the representative of the external auditors.
* The Committee will have at least one annual meeting, or part of one meeting, with each of the external auditor without the senior executives being present.

**Voting**

* The quorum for each meeting shall be one half of the members of the Committee rounded up. Decisions of the Committee shall be taken by a simple majority of those present and voting. The Chair will have a casting vote on an equality of votes.

**Meetings**

* The Committee shall meet termly on such dates as shall be determined by the Committee from time to time and at such other time as the Trust Clerk shall specify at the request of any member of the Committee.
* 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 fewer than five working days prior to the date of the meeting.

**Minutes**

* The Trust Clerk will minute the proceedings and resolutions of the Committee and ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly.
* Minutes of each Committee meeting will be sent to all members of the Committee and the Trust Board within seven working days of the meeting.

**Authority**

* The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.
* The Committee is authorised by the Trust Board to obtain outside legal or other independent professional advice and to secure the attendance of any person at any Committee meeting with relevant experience and expertise if it considers this necessary.

**Duties**

The duties of the Committee shall be:

* to consider the appointment of the external auditor, the audit fee and any questions of resignation or dismissal
* to discuss with the external auditor before the audit commences the nature and scope of the audit
* to review and approve the annual financial statements on behalf of the Trust Board, focusing particularly on:
	+ any changes in accounting policies and practices
	+ areas involving a significant degree of judgement
	+ significant adjustments resulting from the audit
	+ the going concern assumption
	+ compliance with accounting standards
	+ compliance with legal requirements
	+ the clarity of disclosures
	+ the consistency of accounting policies from year to year
* to discuss problems and reservations arising from the audit and any matters the external auditor may wish to discuss (in the absence of the management where necessary)
* to act as the body to whom the head of internal audit reports on the internal audit function and to discuss any issue that the head of internal audit may wish to raise (in the absence of the management where necessary)
* to review the internal audit function, consider the major findings of internal audit investigations and the management's response, and ensure coordination between the internal and external auditors
* to keep under review the effectiveness of internal control systems, and in particular review the external auditor's management letter and the management's response
* to develop and keep under review risk management and measurement strategies across TSSMAT together with the procedures for monitoring the adequacy and effectiveness of those processes
* to review the action and implementation of risk management policy across the TSSMAT.
* to consider the Academy Trust's risk profile relative to current and future TSSMAT strategy and identifying any such trends, concentrations or exposures and any requirement for policy change
* to receive and review risk management and relevant regulatory information and reports
* to consider material breaches of the agreed risk limits, review the actions taken in response and to prevent a repeat occurrence
* to consider the effect on the rights of TSSMAT of the findings of the internal audits or the external audit
* to review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness

In discharging its duties, the aims of the Committee are to:

* liaise effectively with the other Committees
* facilitate good communication between the Academy Trust and its external auditor
* increase the credibility and objectivity of financial reporting
* strengthen the independence of the audit function
* improve the quality of the accounting and auditing functions.