



'Committed to improving the life chances of all children, wherever they may be'

Terms of Reference Audit, Risk and Resources Committee

Approved by:	Board of Trustees	Date: 22 nd May 2025
Last reviewed on:	22 nd May 2025	
Next review due by:	28 th August 2026	

1. Constitution

- 1.1 Orchard Community Trust (MAT) Board of Trustees has resolved to establish an Audit, Risk and Resources Committee to advise the Board on matters relating to the Trust's resource (including finance), risk and audit arrangements, systems of internal control and to advise and aid the Board's responsibility to ensure sound management of the Trust, including proper planning, monitoring and probity.
- 1.11 This Audit, Risk and Resources Committee is responsible to the Trust Board.
- 1.12 This Committee's Terms of Reference are adopted by the Board and may only be amended with the approval of the Board.

2. Authority

This committee:

- 2.1 Will report to the Board on any decision taken in accordance with the Scheme of Delegation and delegated powers, including the academies' assets, depreciation, and removal of such items from the asset register.
- 2.11 Is authorised to investigate any activity within its Terms of Reference or specifically delegated to it by the Board. It is authorised to request any information it requires from any Director, Governor, employee, external audit, internal audit, or other assurance provider.
- 2.12 Is authorised to obtain any outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or Chair of the Trust Board.

3. Main Duties

3.1 The duties of the Audit, Risk and Resources Committee are to:

- 3.1.1 Fulfil its responsibilities as set out in these Terms of Reference in line with the latest version of the Academy Trust Handbook, the Trust's Financial Regulations and in compliance with the Funding Agreement with the Secretary of State of Education.
- 3.1.2 Ensure sound management of the Trust's finances and resources, including human, physical and financial resources and proper planning, monitoring, probity and value for money and support the Board in maintaining the Trust as a going concern.
- 3.1.3 Advise the Board and Accounting Officer on the adequacy and effectiveness of the Trust's governance, risk assessment and management, internal control and value for money systems and frameworks.
- 3.1.4 Advise the Board on the appointment, re-appointment, dismissal and remuneration of the external auditor.
- 3.1.5 Advise the Board on the need for and then, where appropriate, the appointment, reappointment, dismissal and remuneration of an internal auditor or other assurance provider.
- 3.1.6 Advise the Board on an appropriate programme of work to be delivered by independent assurance providers. This programme of work should be derived from the Audit, Risk and Resources Committee's regard of the key risks faced by the Trust, the assurance framework in place and its duty to report to the Board.

4. Detailed Responsibilities

4.1 Audit

- 4.1.1 Ensure that where a full internal audit service is commissioned the service provider complies with the standards set by the Chartered Institute of Internal Auditors. This will mean the internal audit provider must conform to the Public Sector Internal Audit Standards.
- 4.1.2 Review the external auditor's annual planning document and approve the planned audit approach.
- 4.1.3 Receive reports (assignment reports, annual reports, management letters etc.) from the external auditor, internal auditor and other bodies, for example the ESFA, and consider any issues raised, the associated management response and action plans. Where deemed appropriate, reports should be referred to the Board or other committee for information or action.
- 4.1.4 Regularly monitor outstanding audit recommendations from whatever source and ensure any

delays to agreed implementation dates are reasonable.

- 4.1.5 Establish and monitor KPIs regarding the performance of the external auditor, internal auditor or other assurance provider.
- 4.1.6 Review the Trust's Anti-Fraud, Bribery and Corruption Policy and the guidance within the Academy Trust Handbook to ensure all allegations of fraud or irregularity are managed and investigated appropriately, in line with appropriate policies.
- 4.1.7 Consider any additional services delivered by the external auditor, internal auditor or other assurance provider and ensure appropriate independence is maintained.
- 4.1.8 Ensure appropriate cooperation and coordination of the work of the external auditor and internal auditor.

4.2. Finance

- 4.2.1 Subject to the detailed requirements of the Academy Trust Handbook, Funding Agreement and the Financial Regulations of the Trust, the Committee shall consider and advise the Trust Board on the following specific matters:
 - 4.2.2 The annual estimates of income and expenditure and financial forecast for the Trust and its Academies.
 - 4.2.3 The monitoring of revenue finances of the Trust and its Academies and advising the Trust Board on progress to achieving its financial objectives.
 - 4.2.4 Monitoring of policies relating to finance, staffing and buildings, including Health and Safety, capitalisation, depreciation, treasury management, investment and borrowing.
 - 4.2.5 The acquisition or disposal of land to be used by the Academies.
 - 4.2.6 The financial elements of the Risk Management Framework and Policy, which includes Health and Safety, Business Continuity, Buildings and Insurance.
 - 4.2.7 The management accounts of the Trust, and to advise the Trust Board on the year-end accounts.
 - 4.2.8 Strategic matters with financial implications concerning sponsorship of Academies.
 - 4.2.9 Financial Regulations to be reviewed on an annual basis.
 - 4.2.10 To consider any relevant legal and contractual documentation operating within the Articles of Association, Scheme of Delegation, Funding Agreements and Financial Regulations.
 - 4.2.11 Monitor relevant policies as required and agree changes as necessary.
 - 4.2.12 Monitor the deployment of non-financial resources, including personnel and property, with a view to advising the Trust Board on the effectiveness of such resources.

4.3 Risk Management

- 4.3.1 The committee shall monitor the Risk Register and escalate any concerns to the Trust Board.
- 4.3.2 This committee's role in the monitoring of risks must include contingency and business continuity planning.

4.4 Health & Safety

The Committee shall also have an oversight of information across the MAT in relation to Health and Safety:

- To consider and advise on Trust policies for health, safety and welfare, both for statutory or otherwise and monitor and review their effectiveness.
- To review forthcoming legislation and assess its implications and where necessary to recommend the establishment of rules governing any hazardous work activity or class of operations.
- To promote health and safety training in the Trust at all levels and to ensure that appropriate emergency procedures are in place.
- To receive detailed reports of investigations into all reportable accidents, dangerous occurrences and cases of reportable diseases, to consider the effectiveness of any action taken to prevent future similar accidents.
- To receive a list of all other recorded accidents, occurrences and near misses, to consider the effectiveness of any remedial action taken to prevent future similar incidents.
- To consider reports of formal audits of Trust workplaces and activities and such other reports as may be submitted.
- To request formal inspections of workplaces as the Committee thinks appropriate and to receive reports of such inspections.
- To consider and keep under review building work which may be needed to conform to good health,

safety and welfare practice.

- To keep under review communications and publicity relating to health, safety and welfare in the Trust and where necessary to recommend any improvements or changes.

5. Administration

- 5.1 The Audit, Risk and Resources Committee will meet twice per term. The Chair or any two Members may call a meeting.
- 5.1.1 The Audit Risk and Resources Committee will consist of at least three members of the Board. Additionally, up to two external co-opted members with particular expertise may also be appointed who are not members of the Board. The Board may not co-opt an employee of the Academy Trust if the result would be that the number of Committee members who are employees of the Trust (including the Chief Executive Officer) would exceed one third of the Committee. Co-opted members of the Committee will have full participation rights. At least one of the members should have relevant financial experience.
- 5.1.2 Other Board members shall also have a right of attendance and may fully participate in meetings, though the Committee may wish to exclude Employee Trustees, if relevant to the Trust's policy.
- 5.1.3 The Chief Executive Officer and Chief Finance Officer will be ex officio members of this committee. The CEO and CFO will be excluded when pay matters relating to the CEO are to be considered.
- 5.1.4 Other employees of the Trust may be invited to attend meetings but will have no voting rights.
- 5.1.5 The Chair of the Audit, Risk and Resources Committee will be appointed from the Board annually. The Chief Executive Officer or Head Teacher of an Academy may not act as Chair of this Committee. Any other employees of the Trust may also not act as Chair, other than in exceptional circumstances agreed by the Board. If the Chair is absent from a meeting the Board shall choose another Board member to act as Chair for that meeting.
- 5.1.6 The Audit, Risk and Resources Committee will be quorate if at least three Members (or at least one third if greater) of those members eligible to vote are present. In addition, at least 50% of those Members present are required to be Board Members [in the event of there being co-optees on the Committee] and no more than 50% may be employees of the Trust.
- 5.1.7 The Chief Finance Officer and other members of the Trust's staff may be invited to attend but will have no voting rights.
- 5.1.8 Decisions to be made at meetings of this Committee shall be determined by a majority of the votes of members present and voting. Where there is an equal division of votes, the Chair shall have a second or casting vote.
- 5.1.9 Administrative support will be provided by the Governance Professional (Clerk) to the Board. However, the GP (Clerk) can be requested to withdraw from that part of any meeting where information of a highly sensitive or confidential nature is being discussed, with one of the committee members will act as a temporary Clerk to minute the proceedings of the committee or a deputy may attend.
- 5.1.10 Agendas will be agreed in advance by the Chair of Committee (based on, but not limited to, a pre-agreed annual schedule of activity) and papers will be circulated to members and attendees at least five working days in advance of the meeting.
- 5.1.11 Minutes of meetings will be taken and submitted to the next scheduled meeting of the Board once approved in draft by the Chair of the Committee.
- 5.1.12 Members of the Committee shall hold office from the date of their appointment until the resignation or their omission from membership of the Committee on subsequent consideration by the Board (whichever shall first happen).
- 5.1.13 The Board must not add to these Terms of Reference responsibilities that require the Audit, Risk & Resources Committee to adopt an executive role, or for its members to offer professional advice to the Board. The Audit, Risk and Resources Committee should seek formal professional opinions from the internal audit service, external auditor, or other professional advisers to the Board. Advice should only be given in the Committee members' capacity as Trustees and Co-Optees, and only within their Terms of Reference.