



## **Audit & Risk Committee**

### **Terms of Reference for Brooke Weston Trust (2023/24)**

#### **1. Constitution**

- 1.1 The Brooke Weston Trust (the “Trust”) is governed by a Board of Directors (the “Directors” or “Trustees”) which is responsible for, and oversees, the management and administration of the Trust and its Academies.
- 1.2 As provided by Articles 100-104 of the Articles of Association, the Directors:
  - i. may appoint separate committees to be known as Local Governing Bodies for each Academy; and
  - ii. may establish any other committee
- 1.3 The Board of Directors of Brooke Weston Trust hereby resolves to establish a committee of the Trust Board to be known as the “**Audit and Risk Committee**”.

#### **2. Membership**

- 2.1 The Committee shall be comprised of at least three members and a maximum of five members, including at least one Director of the Board (one of whom will be the Chairperson of the Board).
- 2.2 The appointment of members to the Audit and Risk Committee shall be approved by the Board of Directors.
- 2.3 There is no restriction on the number of terms a committee member may serve, with renewal subject to the discretion of the Board. Each term will have a duration of 4 years.
- 2.4 The Committee shall at the first meeting elect a member to act as the Chair of the Committee. The Committee will elect a temporary replacement from among the members present at the meeting in the absence of the Chair.
- 2.5 No person may act as Chair unless they are also a member of the Trust Board.
- 2.6 The Committee may invite attendance at meetings from people who are not Directors or members to assist or advise on a particular matter or range of issues i.e. the Chief Executive Officer, Chief Financial Officer or Chief Operations and Resources Officer. Such people may speak with the permission of the Chair but shall not be entitled to vote.
- 2.7 The Committee will elect a Clerk to the Committee who will take notes of meetings. Meetings might be recorded to aid the minute taking.

#### **3. Remit and Responsibilities**

The Committee shall be responsible for the matters set out below:

##### **3.1 Overall purpose and responsibility**

- 3.1.1 To assist the Board of Directors fulfil its corporate governance and oversight responsibilities in relation to the Trust’s risk management and compliance with various regulations including, but not limited to: the Charities Act (2011), Companies Act (2006), the Trust’s Funding Agreement and Articles of Association and the Academy Trust Handbook.
- 3.1.2 To provide assurances to the Board that BWT has sound internal controls, risk management and assurance processes that adequately identify and manage operational and strategic risk across all Academies in the Trust.

##### **3.2 Main Duties**

###### **Risk management**

- 3.2.1 To review the Trust’s risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management, and reporting of risks.

- 3.2.2** To review the strategic risk register, risk reduction plans and the internal control and scrutiny/audit monitoring documents in order to gain assurance on behalf of the Board that the risk management process is operating effectively, liaising with other Committees and Review Groups as required. Escalates areas of major concern to the Board of Directors.
- 3.2.3** To keep under review the adequacy and effectiveness of the Trust's governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, internal audit, the external auditor and any other relevant independent assurances or reports (e.g. from the ESFA).
- 3.2.4** To review all risk and control related disclosure statements, in particular the Trust's annual Governance Statement, Statement on Regularity, Propriety and Compliance and Value for Money Statement, together with any associated reports and opinions from management, and the external auditor prior to endorsement by the Trust Board.

**Internal scrutiny**

- 3.2.5** To review and approve the role and mandate of internal audit function and to monitor and review the effectiveness of its work.
- 3.2.6** To review and approve the annual internal audit programme to ensure it is aligned to the key requirements and priorities of the Trust.
- 3.2.7** To review the reports and recommendations of the internal audit, together with the appropriateness of management's response. To monitor the implementation of action agreed by management in response to reports from the external auditor and internal audits.

**External audit**

- 3.2.8** To consider and make recommendations to the Members in relation to the appointment, re-appointment, and removal of the Trust's external auditor. To assess independence of the external auditor, ensuring that key audit personnel are rotated at appropriate intervals.
- 3.2.9** To recommend the audit fees to the Trust Board and pre-approve any fees in excess of £10,000 in respect of non-audit services provided by the external auditor and to ensure that the provision of non-audit services does not impair the external auditors' independence or objectivity.
- 3.2.10** To pre-approve their remuneration, including both fees for audit and non-audit services, and ensure that the level of fees is appropriate to enable an effective and high-quality audit to be conducted.
- 3.2.11** To pre-approve their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit.
- 3.2.12** To review the external auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
- 3.2.13** To work alongside the Finance and Resources Committee in the review of the annual accounts and financial statements, prior to Board approval, paying particular attention to:
- the application of significant accounting policies and any changes to them;
  - the methods used to account for significant or unusual transactions where different approaches are possible;
  - compliance with DfE, legal requirements and accounting standards;
  - significant adjustments resulting from the audit;
  - the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed;
  - whether the Trust has adopted appropriate accounting policies and made appropriate estimates and judgements, taking into account the external auditor's views on the financial statements; and
  - all material information presented with the financial statements, including the strategic report and the corporate governance statements relating to the audit and to risk management.



## **Compliance, whistleblowing and fraud**

- 3.2.14 To review the Trust's policy and procedures for handling allegations from whistleblowers and allegations of fraud, bribery and corruption. To receive reports on the outcome of investigations of suspected or alleged impropriety.
- 3.2.15 Maintaining oversight of the executive team role of ensuring compliance with the Academy Trust Handbook.
- 3.2.16 To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements. Responsible for the review and approval of policies delegated to the Committee by the Board, as set out in the Policy Review Framework.

### **3.3 Other matters**

The committee shall:

- Review or investigate any other risk or governance matters referred to the Committee by the Trust Board regarding internal control, risk management or compliance;
- Draw any significant recommendations and matters of concern to the attention of the Trust Board, and in cases of urgent matters directly to members of the Trust Board;
- To receive reports of notifiable breaches from the Data Protection Officer and to ensure compliance with data protection legislation;
- Have access to sufficient resources in order to carry out its duties, including access to the MAT's governance function for advice and assistance as required;
- Be provided with appropriate and timely training, both in the form of an induction programme for new members of the committee and on an ongoing basis for all members of the committee;
- Review, on a regular basis, its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness.

## **4. Proceedings**

- 4.1 **Meeting frequency** – The Committee will meet as often as is necessary to fulfil its responsibilities but at least four times a year, before the scheduled Board of Directors meetings and in line with the Trust's financial calendar.
- 4.2 **Notice of meeting** – The Clerk to the Committee shall give written notice of each meeting and circulate an agenda and any other reports or papers, provided by the Chair and CEO, to be considered at the meeting. This will be circulated at least seven clear days in advance of each meeting.
- 4.3 Any two members may call a meeting by giving written notice to the Clerk, which includes a summary of the business they wish to carry out. It shall be the responsibility of the Clerk to convene a meeting as soon as reasonably practicable.
- 4.4 **Quorum** – A quorum shall consist of two members of the Committee, plus the CEO and Chief Financial Officer. If necessary, meetings might be conducted virtually to ensure quorum.
- 4.5 **Voting** – Every matter to be decided at a meeting of the Committee must be determined by a majority of the votes of the non-executive members present and at least one executive voting on the matter.
- 4.6 Each member present in person shall be entitled to one vote.
- 4.7 Where there is an equal division of votes the Chair shall have a casting vote.
- 4.8 If a member is unable to attend a meeting where a vote is to be made, the member must appoint either the Chair or another member of the Committee as their proxy to vote in their name and on their behalf, confirming if they are voting for or against the proposal.
- 4.9 **Declaration of Interests** – Committee Members are required to complete a declaration of interest form on joining the Board and at the start of each academic year.



- 4.10** Each Committee Member, if present at a meeting of the Committee, must disclose their interest, withdraw from the meeting and not vote on a matter if:
- there may be a conflict between their interests and the interests of the Trust;
  - there is reasonable doubt about their ability to act impartially in relation to a matter where a fair hearing is required; or
  - they have a personal interest, e.g. where they and/or a close relative will be directly affected by the decision of the Board in relation to that matter.
- 4.11 Attendance** – A register of attendance shall be kept for each Committee meeting and published annually on the Trust website.
- 4.12** Any Member or Director of the Board may attend the Audit and Risk Committee, provided that notice of attendance is provided to the clerk in advance.

## 5. Authority

- 5.1** The Committee is authorised by the Trust Board to:
- 5.1.1** obtain appropriate external legal and other professional advice in order to fulfill its responsibility to the Board of Directors
  - 5.1.2** carry on any activity authorised by these terms of reference; and
  - 5.1.3** 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.

## 6. Reporting Procedures

- 6.1** After each meeting the Committee will (together called the Committee Reports):
- produce and agree minutes of its meetings.
  - prepare a summary document identifying (1) decisions made, (2) recommendations to the Trust Board, (3) items for information for the Trust Board and (4) items for further discussion by the Trust Board.
  - the Committee Reports will be sent to all members of the Trust Board prior to each Board of Directors meeting.
- 6.2** The Committee shall arrange for the production and delivery of such other reports or updates as requested by the Trust Board from time to time. Meeting documentation is made available to the Trust Board through an online information sharing platform.
- 6.3** The Chair of the Committee or, as a minimum, a member of the Committee, shall attend the Trust Board meeting at which the annual accounts and financial statements are approved.
- 6.4** The Committee shall conduct an annual review of its work and these terms of reference and shall report the outcome and make recommendations to the Trust Board.

### Document Control

<b>Date of last review:</b>	October 2023	<b>Author:</b>	Head of Governance
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<b>Approved by:</b>	ARC	<b>Status:</b>	Statutory

### Summary of Main Changes

**Version 4.0:** Reference made to recording of meetings to aid minute taking **(2.7)** and conducting virtual meetings to facilitate quorum **(4.4)** Clarification regarding the terms of service within the committee **(2.3)**

