

THOMAS TELFORD SCHOOL and THOMAS TELFORD MULTI ACADEMY TRUST (“TTS” and “TTMAT” and together “the Trusts”)

JOINT AUDIT, RISK and INVESTMENT COMMITTEE (“the Committee”)

Terms of reference

1. Responsibilities

The Committee will generally operate as a joint committee of the Trusts, recognising the commonality of systems, procedures and personnel operating within the Trusts, but so that the Board of either TTS or TTMAT shall, if necessary or desirable, order specific investigations into any matter which is solely its concern and decide who shall conduct such separate investigations on its behalf.

The Committee will maintain an oversight of the Trusts’ financial, governance, risk management and internal control systems and will monitor the management and custody of investment funds by external advisors.

It will report termly and annually to the Trust Boards and the Accounting Officer (where applicable) on the conduct of its business and the scope of its enquiries and reviews and any resultant conclusions or further investigations. It will also report termly and annually on the performance of investment funds under external management and, after taking appropriate advice, will formulate recommendations, as necessary, with regard to investment management, policy and strategy.

2. Authority

The Committee is a joint committee of the Boards of the Trusts and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board of TTS or TTMAT.

It is authorised to request any information it requires from any employee, external audit, internal audit, or other assurance provider. It may obtain such outside legal, financial or other independent professional advice as it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

3. Composition

The membership of the Committee will comprise a minimum of four trustees/governors, of whom at least two will be nominated by TTS and two by TTMAT. Employees of the trust should not be members of the Committee but the Accounting Officer (as necessary) and financial officers should attend meetings to provide information and participate in discussions.

The Chairperson shall be appointed by the Committee and shall serve for a maximum of four years, but so that the appointment of the chair shall alternate as between nominees of TTS and TTMAT. Neither the chair of governors of TTS nor the chair of trustees of TTMAT should be chair of the Committee.

Where the Committee is combined with another committee, employees should not participate as members when audit matters are discussed.

The quorum of the Committee shall consist of at least two members of the Committee, but so that both TTS and TTMAT are represented.

At least two members of the Committee should have recent or relevant accountancy, or audit assurance, experience.

Any trustee of TTMAT or governor of TTS may attend a meeting of the Committee, including those who are not members thereof.

4. Reporting

The Committee will provide a report to the TTMAT Board and the TTS governing board regularly every term and the nominees from each board shall take responsibility for including therein any reports on matters of relevance only to their reporting board. The Committee shall include in its reports details of the routine work of the internal scrutineer/auditor (including any external appointee to that role) and will provide an annual summary report of the areas reviewed by internal scrutiny / audit, covering key findings, recommendations, and conclusions.

5. Coverage

The Committee will advise the respective boards on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:

- the auditor's/scrutineer'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's/scrutineer's comments and recommendations in relation to key areas;
- where relevant, the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the Trusts' managers; and
- the auditor's/scrutineer's use of technology.

The Committee will also:

- ensure that there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant;
- consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Boards of material control issues;
- encourage a culture within the Trusts whereby each individual feels that they have a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees/Governors; and
- provide minutes of all Committee meetings for review at board meetings

With regard to the external audit, the Committee will:

- review the external auditor's plan each year;
- review the annual reports and accounts before reference to the full boards;
- review the auditor's findings and actions taken by the Trusts' responsible executives in response to those findings (where required); and
- produce an annual report of the Committee's conclusions to advise the respective boards and members of the financial status of the respective Trusts as disclosed by the audit process.

With regard to internal scrutiny, the Committee will:

- take delegated responsibility on behalf of the respective boards for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring that the Trusts are complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook;
- conduct a regular review of the risk registers;
- agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks;
- advise the trust boards on the adequacy and effectiveness of the Trusts' systems of internal control, governance, and risk management processes;
- consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the board on any additional or alternative steps to be taken; and
- oversee a termly review of the Trusts' risk registers.

Final version as approved by TTS (22 June 2021) and TTMAT (27 July 2021) Boards