

New College Durham Academies Trust

Audit and Risk Committee Terms of Reference

1. Authority

The Audit and Risk Committee is a Committee of the Board and 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 employee, external audit, internal audit or other assurance provider.

The Audit and Risk Committee 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 Governors. However, the Audit and Risk Committee may not incur expenditure in excess of £5,000 in doing so without the prior approval of the Board.

2. Role

The role of the Audit and Risk Committee is to maintain an oversight of the Academies Trust's (AT's) governance, risk management, internal control and value for money (vfm) framework. It will report its findings annually to the Board and the Accounting Officer as a critical element of the AT's annual reporting requirements.

The Audit and Risk Committee has no executive powers or operational responsibilities/duties.

3. Duties

The duties of the Audit and Risk Committee are to:

3.1 Advise the Board and Accounting Officer on the adequacy and effectiveness of the AT's governance, risk management, internal control and vfm systems and frameworks. An annual report will be produced by the Audit and Risk Committee in this regard.

3.2 Advise the Board on the appointment, re-appointment, dismissal and remuneration of the external and regularity auditor.

3.3 Advise the Board on the need for and then, where appropriate, the appointment, re-appointment, dismissal and remuneration of an internal auditor or other assurance provider.

3.4 Advise the Board on an appropriate programme of work to be delivered by independent assurance providers [internal audit /external audit/responsible officer/other]. This programme of work should be to be derived from the Audit and Risk Committee's regard of the key risks faced by the AT, the assurance framework in place and its duty to report to the Board as detailed in 3.1.

3.5 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. From 1 April 2013, this will mean an internal audit provider which conforms to the Public Sector Internal Audit Standards.

3.6 Review the external auditor's annual planning document and approve the planned audit approach.

3.7 Receive reports (assignment reports, annual reports, management letters etc) from the external auditor, internal auditor and other bodies, for example the EFA and NAO, 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.

3.8 Regularly monitor outstanding audit recommendations from whatever source and ensure any delays to agreed implementation dates are reasonable.

3.9 Establish and monitor KPIs with regard to the performance of the external auditor, internal auditor or other assurance provider.

3.10 Review the AT's fraud response plan and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.

3.11 Consider any additional services delivered by the external auditor, internal auditor or other assurance provider and ensure appropriate independence is maintained.

3.12 Ensure appropriate cooperation and coordination of the work of the external auditor and internal auditor.

3.13 Meet with the external auditor and internal auditor or other assurance provider, without management present, at least annually.

Composition – 3 Directors

Quorum – 2

Meeting frequency – at least once per term