Trust Governance:
Business, Audit & Risk Committee
Terms of Reference
2026-2027

1. Purpose
The Committee's core purpose is to advise the Trust Board and the Accounting Officer on the adequacy and effectiveness of the Trust's governance, risk management, and internal control framework. This includes ensuring financial and non-financial controls are robust and that value for money is being achieved across the Trust.

2. Authority
The Business, Audit and Risk Committee is a sub-Committee of the Trust Board and is authorised by the Board to:

- carry on any activity authorised by these Terms of Reference; and
- seek any appropriate information that it properly requires to carry out its role from any senior employee of the Trust and all senior employees shall be directed to cooperate with any request made.

3. Membership
- The Committee shall have a minimum of three members and maximum of five members. A majority of Board Committee members must be Trustees of the Trust.
- The Committee shall at the first meeting of each academic year elect members respectively, who are not employees of the Trust, to act as Chair of the Committee and Vice Chair of the Committee.
- The Chair of the Committee must **not** be the Chair of Trustees.
- The Board will appoint and remove all Committee members.
- The Board will ensure that Board Committee members have the necessary
- skills, background and experience to properly fulfil the relevant Board Committee functions.
- The current Board Committee members are set out in the register of Committee members maintained by the Trust.
- The Trustees recognise the overriding principles of the Academies Trust Handbook published by the DFE (the **ATH**) and that the Business, Audit and Risk Committee should be established in such a way as to achieve internal scrutiny which delivers objective and independent assurance for the Trust. In establishing the Business, Audit and Risk Committee the Board will adhere to the principles of the ATH and:
- staff employed by the Trust will not be members of the Committee, but may attend meetings to provide information and participate in discussions; and
- the Trust's Accounting Officer and other relevant senior staff will routinely attend Committee meetings in the capacity set out above.

4. Duties and responsibilities
The powers and functions delegated by the Board to the Committee in relation to the Business, Audit and Risk function are as set out below.

EXTERNAL AUDIT

1. To consider the appointment of the external auditor and assess independence of the external auditor, ensuring that key audit personnel are rotated at appropriate intervals.
2. To recommend the audit fees to the 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. To oversee the process for selecting the external auditor and make appropriate recommendations through the Board to the members of the Trust to consider at any general meeting where the accounts are laid before members.
4. To discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor receives the fullest co-operation.
5. To review the external auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
6. To review the performance of the external auditor on an annual basis.
7. To recommend to the Board the appointment/re-appointment of the external auditor.
8. To review and consider the circumstances surrounding any resignation or dismissal of the external auditor.

INTERNAL AUDIT

9. To set and review the internal audit programme and ensure that the internal audit function is adequately resourced and has appropriate standing within the Trust.
10. To review the reports and recommendations of the internal audit, together with the appropriateness of management's response.
11. To monitor the implementation of action agreed by management in response to reports from the external auditor internal audits.

FINANCIAL MANAGEMENT AND POLICIES

12. To keep under review the Trust's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Board, paying particular attention to:

- critical accounting policies and practices, and any changes in them
- decisions requiring a major element of judgement
- the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed
- the clarity and transparency of disclosures
- significant adjustments resulting from the audit

- the going concern assumption
- compliance with accounting standards
- compliance with DfE and legal requirements.

13. To review the Trust's policy and procedures for handling allegations from whistleblowers.
14. To review the Trust's policies and procedures for handling allegations of fraud, bribery and corruption.
15. To receive reports on the outcome of investigations of suspected or alleged impropriety.
16. To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
17. To ensure that any significant losses are investigated and reported to the DfE where required.
18. To review the Trust's risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.
19. To review the adequacy and robustness of risk registers.
20. 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 (eg from the National Audit Office).
21. To review all risk and control related disclosure statements, in particular the Trust's annual "Statement on Internal Control", together with any associated reports and opinions from management, the external auditor and Responsible Officer, prior to endorsement by the Trust Board.
22. To review any recommendations made by the Secretary of State for Education for improving the financial management of the Academies.

GENERAL

23. To review or investigate any other matters referred to the Business, Audit and Risk Committee by the Board.
24. To draw any significant recommendations and matters of concern to the attention of the Board.

FUNDING

1. To consider each of the Academies indicative funding, notified annually by the DfE and to assess its implications for the relevant Academy. This will be in consultation with the CFOO together with the Principal, in advance of the financial year, drawing any matters of significance or concern to the attention of the Board.
2. To consider and recommend acceptance or non-acceptance of the Academies budgets each financial year.

BUDGETING

3. To contribute to the formulation of the Academies strategic plans, through the consideration of financial priorities and proposals, in consultation with the

Principal with the stated and agreed aims and objectives of the relevant Academy.

4. To receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year. This will include the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in each of the Academies' strategic plans.
5. To liaise with and receive reports from appropriate Committees and make recommendations to those Committees about the financial aspects of matters being considered by them.
6. To consider the spending plans of other Committees and report back and advise the Board.
7. To delegate the day-to-day management of the approved budget to the Principal, within agreed authorisation limits.
8. To consider requests for supplementary expenditure and make appropriate recommendations to the Board.
9. To consider and act upon matters not covered by other sub-committees.
10. To review financial policy including consideration of long-term planning and resourcing in accordance with each of the Academies' development plans.

EXPENDITURE

11. To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the Academies, and with the financial regulations of the Trust, drawing any matters of concern to the attention of the Board.

FINANCIAL PROCEDURES

12. To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and where appropriate make recommendations for improvement.
13. To prepare the financial statement to form part of the annual report of the Board to stakeholders and for filing in accordance with requirements of the Companies Act, Charity Commission and Funding Agreement (including the ATH)

GRIEVANCES

14. To consider staff grievances where there is a referral under the grievance procedure adopted by the Board. A panel comprised of members of the Committee will consider the grievance and seek to resolve the matter following a process and hearing conducted in accordance with the adopted procedure.
15. To consider staff complaints of harassment where there is a referral to the Committee under the procedure adopted by the Board. The Committee will consider the complaint and seek to resolve the matter following a process and hearing conducted in accordance with the adopted policy.

STAFF DISCIPLINE/DISMISSALS

16. Under the disciplinary or capability procedures for the CEO adopted by the Trust Board, to consider formal action against the CEO and for a [panel comprised of members] of the Committee to make a determination as provided for under either procedure. The Committee will be responsible for the future review of any sanction short of dismissal as required under the relevant procedure.
17. Under the disciplinary or other relevant procedures (e.g. relating to capability, staff reductions or incapability due to ill-health) adopted by the Board, to make any determination that any member of staff employed at an Academy should be dismissed from their post.
18. Before taking a decision on dismissal, to give the member of staff concerned an opportunity to make representations on the proposed action and to consider those representations at a formal meeting conducted in accordance with the relevant adopted procedure.
19. Where it is determined that a member of staff should be dismissed, to ensure that the member of staff is notified of the decision, the reason for it and that the member of staff has a right of appeal against the decision.

HUMAN RESOURCES

20. To receive reports and make recommendations to the Board on all aspects of matters relating to staff at the Academies.
21. To advise on the strategic planning of human resources.
22. To monitor the communication and consultation of policies and processes to staff and review feedback.
23. To advise on the means of achieving active participation by staff in policy development.
24. To advise and recommend revisions to those policies which affect staff, including but not limited to those which relate to recruitment, retention, record-keeping, induction, training, allegations against staff, equalities, discipline and grievance, professional conduct, professional development, charging and remissions, training, performance management, management of stress, trade unions, whistle-blowing and pay.
25. To ensure the legal requirements for ECT induction are complied with.
26. To hear, consider and make any initial decisions about matters relating to the discipline of staff or staff grievances in accordance with adopted procedures.
27. To carry out a review of the staffing establishment at least once per year in relation to the staffing element of the Academy development plan.
28. To advise the Board on the appointment of the relevant Principal.
29. The Board delegate the appointment of supply staff and temporary staff appointed for one term, and non-teaching staff to the relevant Principal.
30. Non-teaching staff, appointed to support children with special needs, will be appointed in consultation with the Academy SENCO.

GENERAL

31. Reviewing or investigating any other matters referred to the Business, Audit and Risk Committee by the Board.
32. Drawing any significant recommendations and matters of concern to the attention of the Trust Board.

5. Procedures

- **Frequency**: The Committee should meet at least three times per year.
- **Quorum**: The quorum for the transaction of the business of the Committee shall be a majority of the Committee members and no vote on any matter shall be taken at a meeting of the Committee unless the majority of members of the Committee present are Trustees.
- **Attendees**: The Accounting Officer and Chief Financial Officer (or equivalent) should attend to provide information, but will not have voting rights.
- **Reporting**: Minutes of all meetings must be provided to the Trust Board. The chair of the Committee will report regularly to the Board on its proceedings.
- **Clerk:** The Chief Executive Officer shall ensure that a clerk is provided to take minutes at meetings of the Committee.
- **Review**: The Committee will review its own performance and terms of reference annually and recommend any necessary changes to the Board.