



Tudor Grange Academies Trust

**DRAFT**

**Audit Committee Terms of  
Reference**

## DOCUMENT CONTROL

<b>Author</b>	Chair to the Audit Committee	
<b>Document Reference</b>	Audit Committee TOR	
<b>Version</b>	01	
<b>Status</b>	Draft	
<b>Publication Date</b>	September 2013	
<b>Related documents</b>		
<b>Review Date</b>	Annually	
<b>Approved/Ratified by</b>		Date:
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Version	Date	Comments	Author
01			
	September 2013		

Review Process Prior to Ratification:

Name of Group/Department/Committee	Date

### **Purpose of this document**

Tudor Grange Academies Trust (the Trust) is constituted as a Multi Academies Trust (MAT). The Academies Financial Handbook advises that: every MAT must have in place a process for independent checking of financial controls, systems, transactions and risks and ideally this process should be driven by an Audit Committee (AC) appointed by the MAT Board (MATB). This document sets out the main responsibilities and terms of reference for the Trust's AC.

### **Core Purpose of the AC**

The AC must review the risks to internal financial control at the Trust and must agree a programme of work that will address these risks, inform the statement of internal control and, so far as is possible, provide assurance to the external auditors.

**Membership:** The AC will consist of four members from Local Governing Bodies (LGBs) within the MATB. Additionally up to two external co-opted members may also be appointed. At least one of the members should have relevant financial experience. The Chair of an LGB shall not be a member of the AC.

**Chair:** The Chair of the AC shall be appointed by the MATB at the start of the academic year or as required. The Chair of the AC will not be a member of any other sub-committee.

**Quorum:** The AC will be quorate if two members are present and more than 50% of those members present are members of LGBs.

**Meetings:** The AC will normally meet at least once per term and not less than twice per year.

**Agendas:** The Secretary shall circulate an agenda for each meeting, together with any supporting papers, at least one week in advance of the meeting. Minutes of meetings will be taken and will be submitted to the MATB after being approved in draft by the Chair of the AC.

**Decisions:** Decisions may be taken only by Members of the AC. Each question shall be determined by a majority of the votes of the Members present and voting on the question. Every Member shall have one vote. Where necessary, the Chair will have a second or casting vote. The Executive Finance Director and other members of the MATB or an LGB may be invited to attend the AC but will have no voting rights.

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## Remit of AC

### 1. Duties

- 1.1 The AC will consider matters relating to internal control and auditors. In particular the AC will:
- 1.2 advise the MATB on the adequacy and effectiveness of its systems of internal control and arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money);
- 1.3 review the statement on internal control and make appropriate recommendations to the MATB;
- 1.4 advise the MATB on the appointment, reappointment, dismissal and remuneration of auditors (both external and internal auditors);
- 1.5 review the external auditor's annual planning document and approve the planned audit approach;
- 1.6 ensure effective coordination of the work of the external auditor and internal auditor;
- 1.7 ensure that any additional services undertaken by the auditors is compatible with audit independence and objectivity;
- 1.8 agree the work programme of internal audit including the checking of financial controls, systems, transactions and risks;
- 1.9 consider the reports of the auditors and, when appropriate, advise the MATB of material controls issues;
- 1.10 monitor the implementation of agreed audit recommendations;
- 1.11 ensure that any allegations of fraud or irregularity are appropriately investigated and control weaknesses addressed;
- 1.12 meet with the external auditor and internal auditor at least once per year;
- 1.13 report its findings annually in July to the MATB.

### 2. Authority

- 2.1 The AC is authorised by the MATB to investigate any activity within its terms of reference. It is authorised to seek any information it requires to discharge its duties from any other Committee of the MATB and / or employee of the Trust. Trust employees are directed to cooperate with any reasonable request made by the AC.
- 2.2 The AC is delegated financial authority by the MATB for non-routine revenue expenditure of up to £6,000 pa.

### 3. Adoption

- 3.1 These terms of reference were agreed by the MATB at its meeting on .....

