

Tees Valley Education Trust

Audit Risk and Finance Committee

Terms of reference

September 2023/24

Membership

- TB appoints trustee to be chair annually
- Trustees (minimum two in addition to chair)

In attendance:

- Director for Finance, Resources and Operations
- Director of Inclusion and SEND Resources
- External and internal auditors are invited to present audit findings to the committee each year as per the agreed audit programme.

Working arrangements

- Meets termly three times a year
- Trust Board receives the recommendations and exceptions from ARF.
- CEO reports ARF recommendations to headteacher SLT as appropriate.
- Chair/DFRO and governance professional ensures items/recommendations are included in subsequent ARF and trust board agendas as appropriate.
- Trustees to have access to auditors directly through the audit reports provided by the auditors.

Roles and responsibilities

- Agree annual committee work programme and forward plan.
- ARF Chair to be member of the annual pay review committee.
- Oversee and recommends the Trust's programme of internal scrutiny to Trust Board.
- Ensure that risks are being properly scrutinised and addressed.
- Report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.
- Receive the findings of the internal audit timely following audit (this may be electronic).
- Monitor the implementation of agreed audit recommendations.
- To receive an annual report of internal scrutiny of the areas reviewed, key findings, recommendations and conclusions
- Receive the indicative budgets and three year forecasts annually.

- Review trust's financial management accounts, cash flow and balance sheet as a standing item on each agenda¹.
- Monitor the agreed 'key financial performance indicators' and report exceptions to Trust Board as required
- To review and manage risks to ensure effective operation and must maintain a register – exceptions are to be reported to Trust Board as appropriate.
- To ensure there is contingency and business continuity planning linked to risk management.
- Review policies for the approval and recommend to Trust Board for full adoption if appropriate as per the policy review schedule.
- Receive the annual external audited accounts and advise the trust board on response to any recommendations and recommend to the trust board for approval.
- Advise on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit)
- Ensure that all allegations of fraud and irregularity are appropriately investigated and control weaknesses addressed, working with the trustees and other employees, where appropriate.
- Receive compliance reports from DFRO on relevant ARF matters including reporting and website compliance.

Employees are not to participate in the meeting when audit matters are being discussed

Reporting arrangements

- Trust Board to receive the recommendations and exceptions from ARF.
- CEO reports ARF recommendations to headteacher and business board as appropriate.
- Chair/DFRO ensures items/recommendations are included in subsequent ARF and trust board agendas as appropriate.
- Receives annual external audit report and action plan.

¹ Management Accounts, Cash Flow and Balance Sheet must be received at least bi-monthly, this maybe in electronic format.