

Governance, Risk and Audit Committee Terms of Reference

Issued: October 2020

Next review due: Autumn 2021



Purpose of the Committee

The Governance, Risk and Audit Committee will exercise responsibility for and have oversight of the risk management processes and internal controls arrangements of Birmingham Diocesan Multi-Academy Trust. The Committee shall appoint internal and external auditors to provide assurance as to the financial statements and the internal control framework. The Committee will consider and respond to the findings of auditors.

1.0 CONSTITUTION

- 1.1 The Board of Directors (the Trust Board) of Birmingham Diocesan Multi-Academy Trust (referred to as the “Trust” or “BDMAT”) has established a committee of the Trust Board to be known as the Governance, Risk and Audit Committee (the Committee).
- 1.2 The Committee will report to the Trust Board.

2.0 MEMBERSHIP

- 2.1 The Committee will be appointed by the Trust Board and, including the CEO of the Academy Trust, will comprise no more than six and no fewer than three members. A majority of the Committee will be Directors.
- 2.2 The Committee’s current members are set out in Appendix 1.
- 2.3 The Trust Board will appoint one of the members of the Committee as its chair (the Chair). The CEO and CFOO are not eligible to be elected as Chair of the Committee.
- 2.4 A Clerk to the Committee will be appointed

3.0 REMIT AND RESPONSIBILITIES OF THE COMMITTEE

- 3.1 The Committee shall be responsible for the matters set out in the terms of reference.
- 3.2 The Committee shall conduct an annual review of the Terms of Reference and its effectiveness.

4.0 PROCEEDINGS OF COMMITTEE MEETINGS

- 4.1 The Committee will meet as often as is necessary to fulfil its responsibilities but at least four times a year. During such time as the membership of this Committee mirrors that of the Finance & Resources Committee, and subject to the agreement of the Trust Board, the business of the Governance, Risk and Audit Committee will be discharged through the Finance & Resources Committee.

- 4.2 Any two Committee members can request that the Chair convene a meeting by giving no less than 14 days prior notice.
- 4.3 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 Directors of the Trust.
- 4.4 Every matter to be decided at a meeting of the Committee must be determined by a majority of the votes of the members present and voting on the matter. Should the meeting not be quorate, an email vote is permitted following the meeting and be a majority vote.
- 4.5 Each member present in person shall be entitled to one vote.
- 4.6 Where there is an equal division of votes the Chair shall have a casting vote.
- 4.7 A register of attendance shall be kept for each Committee meeting and published annually.
- 4.8 Meetings can be requested by the external or internal auditors if they consider one necessary.

5.0 AUTHORITY

- 5.1 The Committee is authorised by the Trust Board to investigate any activity within its terms of reference. It is authorised to seek any information it requires from any employee and all employees are directed to cooperate with any request made by the Committee.
- 5.2 The Committee is authorised by the Trust Board to obtain independent legal or other professional advice and to secure the attendance of any person at any Committee meeting with relevant experience and expertise if it is considered necessary.
- 5.3 The Committee is authorised by the Trust Board to seek any appropriate information that it requires from any officer of the Trust and all officers shall be directed to co-operate with any request made.

6.0 REPORTING PROCEDURES

- 6.1 Within 14 days of each meeting the Committee will:
 - Produce and agree minutes of its meetings that summarises the meeting and identifies: (i) decisions made, (ii) recommendations to the

Trust Board, (iii) any items for the information of the Trust Board and (iv) items for further discussion by the Trust Board.

- 6.2 The Committee Reports can be agreed by Committee members by email.
- 6.3 The Committee shall arrange for the production and delivery of such other reports or updates as requested by the Trust Board from time to time.
- 6.4 The Committee shall conduct an annual review of its work and these terms of reference and shall report the outcome and make recommendations to the Trust Board.

7.0 TERMS OF REFERENCE

7.1 Internal Controls

- 7.1.1 To ensure that the Trust has appropriate financial controls in place and to review the effectiveness of these and other internal control systems.
- 7.1.2 To ensure the Trust adheres to the policies and procedures as specified by the Department for Education and the BDMAT Finance Manual and compliance with the Funding Agreement.
- 7.1.3 To oversee the Trust's policy on fraud and irregularity, including being notified of any action taken under that policy.
- 7.1.4 To oversee the use of pupil premium, sports premium, and other restricted grants/fund and to obtain assurance that associated expenditure is in accordance with the terms of the funding.
- 7.1.5 To oversee that information submitted to DfE and ESFA that affects funding, including pupil number returns and funding claims completed by the trust and by constituent academies, is accurate and in compliance with funding criteria.
- 7.1.6 To ensure that any and all significant losses have been properly investigated and that the internal and external auditors and where appropriate the relevant authorities have been informed.

7.2 External Audit

- 7.2.1 To make recommendations to the Board on: the appointment and, if necessary, the dismissal of the External Auditor; the audit fee; and any non-audit services from the External Auditor.
- 7.2.2 To agree the areas of audit focus with the External Auditor as part of the audit planning process.

7.2.3 To receive and consider the External Auditor's management letter in connection with the audit of the Trust's Annual Accounts and the management response.

7.2.4 To consider elements of the annual financial statements in the presence of the External Auditor, including the auditor's formal opinion, the statement of the members' responsibilities and any corporate governance statement.

7.2.5 To recommend to the Board the Audited Financial Statements and Directors' report for approval and filing with the ESFA and Companies House.

7.3 Internal Audit

7.3.1 To advise on the appointment of the Internal Auditor and, if necessary, on their resignation or dismissal.

7.3.2 To work with the Internal Auditor to prepare an annual plan of activity to provide assurance as to the robustness of the internal control framework.

7.3.3 To approve the internal audit annual plan.

7.3.4 To receive and consider the final report of each internal audit assignment, activity or investigation undertaken on behalf of the Trust by the Internal Auditor;

7.3.5 To review the work of the Internal Auditor in conjunction with the receipt of an annual report prepared by the Internal Auditor, the report to include an opinion on the degree of assurance that can be taken from the system of control.

7.3.6 To consider any internal audit matters not specifically covered above.

7.4 Governance

7.4.1 To review central policies developed prior to being presented to the Trust Board.

7.4.2 To ensure the Register of Business interests and the Register of Gifts and Hospitality is kept up to date.

7.4.3 Monitor the Trust compliance and activities surrounding GDPR and other statutory requirements

7.5 Reports of an Audit Nature

7.5.1 To receive and consider any reports of an audit nature prepared by the ESFA, OFSTED, Regulators and any other similar bodies.

7.6 Value for Money

7.6.1 To satisfy itself that adequate arrangements are in place to secure value for money.

7.8 Risk Management

7.8.1 To advise the Board on Risk Management by:

- Developing and maintaining a Risk Management Policy;
- Ensuring the development and maintenance of a Risk Register for the Trust;
- Ensuring familiarisation across the Trust with the concept and requirements of risk management;
- Acting as a catalyst for risk management activity across the Trust and ensuring that Members, Directors, and Governors have a clear understanding of how risk is managed across the Trust and the sources of assurance that are available to support this knowledge; and
- Ensuring appropriate audit work on risk management is performed.

7.8.2 Consider the Due Diligence documentation of schools joining the Academy Trust, making recommendations to the Board as appropriate.

Appendix 1

Members of the Audit Committee

Kabir Khan

Christopher Mansell

Nick Pilditch

Steven Skakel (Chair)

Sarah Smith