

Governing Body Audit Committee Terms of Reference

Version 3.4

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Reviewer:	Chair of Audit
Governor Link:	Chair of Governors

AUDIT COMMITTEE TERMS OF REFERENCE

East Barnet School, Chestnut Grove, East Barnet, Herts EN4 8PU

A. Membership

Two members of the Resources Committee will be members of the Audit Committee, together with one other governor of East Barnet School with relevant knowledge and/or experience. The Chair will invite Governors with relevant experience, depending on topic of scrutiny. There will be a reserve membership of up to three other members, drawing, as needed, from the governing body, who would be called upon to allow a quorate meeting to take place and/or to cover elements of the audit committee role that require additional experience or expertise.

The Headteacher, School Business Leader and other relevant members of the school Senior Leadership Team may be asked to attend as non-voting members. Meetings will normally be held four times per year, one meeting per term which will look at any compliance issue the school is required to fulfil plus the standard financial meeting with the school's external auditors in addition in the autumn term. Discussions and decisions will be reported to the Resources Committee and Full Governing Body as appropriate. It will relate to and consult with other committees as necessary. The Chair of the Committee should not also be Chair of the Resources Committee to aid internal checks and balances (this applies in general but particularly applies to the annual meeting with the school's external auditors).

B. Disqualification

Any relevant person employed to work at the school in a position where they directly take decisions concerning the accounting, budgeting, spending or other financial or compliance related matters.

C. Aims

1. The Audit Committee will consider matters relating to internal control and auditors as well as the degree to which the school is fully compliant with any other area of statutory duty or formal requirements.
2. To agree the areas for focused review, with reference to the risk register, of Internal Scrutiny for the forthcoming year. Internal scrutiny must focus on:
 - evaluating the suitability of, and level of compliance with, financial and non-financial controls. This includes assessing whether procedures are designed effectively and efficiently, and checking whether agreed procedures have been followed
 - offering advice and insight to the board on how to address weaknesses in financial and non- financial controls, acting as a catalyst for improvement, but without diluting management's responsibility for day to day running of the trust
 - ensuring all categories of risk are being adequately identified, reported and managed.
3. To advise the governing body on the adequacy and effectiveness of the Academy Trust's systems of internal control and its arrangements for risk management, control and financial governance processes, and securing economy, efficiency and effectiveness (value for money).
4. To recommend the annual financial statements to the governing body for approval.
5. To review the committee's membership and effectiveness on an annual basis to ensure that it has appropriate skills and relevant experience to fulfil its role and duties.

To help fulfil these responsibilities, the School Governing Body delegates the duties and powers detailed below to the Audit Committee.

The Committee will work on behalf of the School Governing Body within these terms of reference:

1. Report the findings of the audit committee to the Resources committee:
2. Ensure the annual financial audit process and controls comply with financial and DfE legislation and requirements for Academy schools:
3. Work with the school to ensure that a regular review of the school's compliance obligation areas is scheduled periodically, that compliance risks are managed and remedial actions are taken as needed. This concerns compliance areas that are not otherwise specifically catered for (namely at this time, Safeguarding (audited by LBB) and Health and Safety (retained by Resources Committee).
4. Advise the Resources Committee on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit);
5. Monitor the effectiveness of auditors, including the use of auditor performance indicators;
6. Ensure that any additional services undertaken by the auditors are compatible with the requirements for audit independence and objectivity;
7. Agree the work programme of internal audit including the checking of financial and other controls, systems, transactions and risks;
8. Consider the reports of the auditors against their scope of engagement and, when appropriate, advise the Governing Body of material control issues;
9. Monitor the implementation of agreed audit recommendations;
10. Ensure that all allegations of fraud and irregularity are appropriately investigated and control weaknesses addressed.
11. To ensure, as far as is practical, that Safeguarding, Health & Safety, GDPR and Data Protection issues are appropriately monitored and appropriate actions taken as required.

The quorum for voting is 3 voting members.