The Crypt School Trust Board Audit and Risk Committee

Terms of Reference 2025-26

1. Responsibilities

- To direct the Trust’s programme of internal scrutiny to maintain effective oversight of the Academy Trust's financial, governance, risk management and internal control systems
- to oversee updating of the risk register and ensure that risks are being addressed appropriately through internal scrutiny (the Full Board retains overall responsibility for risk management and ultimate oversight of the risk register)
- to report to the Trust Board and the Accounting Officer on the adequacy of the Trust’s internal control framework, including financial and non-financial controls and management of risks.

2. Authority

- The Audit and Risk Committee is a Committee of the Academy Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
- the Audit and Risk Committee is authorised to:
    - request any information it requires from any employee, external audit, internal audit, or other assurance provider.
    - obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

3. Composition

- Members and terms of reference will be approved by the Trust Board.
- The Chair of the Audit Committee will be appointed by the Trust Board on an annual basis.
- The membership of the committee will comprise a minimum of 3 trustees.
- Employees of the trust should not be audit and risk committee members, but the Headmaster (as accounting officer) and Finance Director (as chief financial officer) should attend to provide information and participate in discussions.
- The chair of trustees and the chair of the Resources, Staff & Pay Committee should not be chair of the Audit and Risk Committee.
- Until otherwise determined by the Board of Trustees, a quorum shall consist of 2 members of the committee.
- At least one member of the Audit and Risk Committee should have recent or relevant financial, accountancy, or audit assurance, experience.

- Any trustee may attend a meeting of the Audit and Risk Committee, including those who are not members of the Audit and Risk Committee.

4. Reporting

The Audit and Risk Committee will:

- report back to the Trust Board regularly, including the findings of internal scrutiny.
- present to the Board the annual summary report provided by the internal scrutineers on the areas reviewed by internal scrutiny / audit, key findings, recommendations, management response and conclusions; and the Committee's accompanying conclusions. The annual report provided by those delivering internal scrutiny must also be submitted to the Department for Education by 31 December each year.

5. Coverage

The Audit and Risk Committee will:

- ensure there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant
- consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
- encourage a culture within the Trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees
- investigate any financial irregularities and report to the Trust Board
- provide minutes of all Audit and Risk Committee meetings for review at Board meetings

External Audit

- review the auditor's findings and actions taken by the trust's managers in response to those findings
- assess the effectiveness and resources of the external auditor to provide a basis for decisions by the Trust's Members about the auditor's reappointment, dismissal or retendering. Considerations may include:
    - the auditor's/scrutineer's sector expertise
    - their understanding of the trust and its activities
    - whether the audit process allows issues to be raised on a timely basis at the appropriate level
    - the quality of auditor/scrutineer comments and recommendations in relation to key areas

    - where relevant the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
    - the auditor's/scrutineer's use of technology

- produce an annual report of the committee's conclusions and recommendations to advise the Board of Trustees and members on the appointment and remuneration of auditors.

Internal Scrutiny

- Take delegated responsibility on behalf of the Board of Trustees for examining and reviewing all systems and methods of control, both financial and otherwise, including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academy Trust Handbook.
- agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks. Oversight must ensure that information submitted to DfE that affects funding is accurate and in compliance with funding criteria.
- conduct a regular review of the risk register to inform the programme of work, ensuring checks are modified as appropriate each year.
- agree who will perform the work.
- consider reports at each meeting from those carrying out the programme of work and progress in addressing recommendations.
- advise the trustees on the adequacy and effectiveness of the trust's systems of internal control, governance, and risk management processes.
- consider the appropriateness of executive action following internal audit/internal scrutiny reviews and advise the board on any additional or alternative steps to be taken.

6. Meetings

The Audit and Risk Committee must meet at least three times a year, but may meet more often as necessary.

In the event of a need to make an urgent decision between meetings on matters falling within the remit of the committee, the Chair of Trustees, in consultation with the Headmaster and chair of the committee, will take appropriate action on behalf of the committee. The decisions taken and reason for the urgency will be explained fully in writing at the next meeting of the whole Trust Board.