

Terms of Reference for Audit & Risk Committee

Participating Organisation	Name of Member
Clouders	David Osborn (Chair)
Natwest	Nick Wetheridge
Prince Avenue Primary	Will Hill
Southend Education Trust	Karen Summers

Terms of Reference September 2011

1. Overall Purpose

To consider and make recommendations and reports to the Board of Trustees about issues of financial management, audit and risk. Reporting to the Board of Trustees.

2. Delegated Powers

Take delegated responsibility on behalf of trustees for ensuring that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the charity is complying with all aspects of the law, relevant regulations and good practice.

- Undertake other duties delegated to the Committee
- The Committee is authorised to obtain appropriate external legal and other professional advice in order to fulfil its responsibility to the Board of Trustees. The Committee is authorised to investigate on behalf of the Board of Trustees anything that threatens or adversely affects the accomplishment of the charity's aims and objectives, its assets, the reliability of all records and information and its compliance with all relevant laws, regulations, policies and its governing instrument.

3. Function of Chair

To be agreed by members of the Committee

Chairs Action

When urgent action is required and there is no time to call a meeting the Chair has the power to take decisions on behalf of the Committee provided the full group is informed of the decision at the next meeting. Chairs Action should be a standard item on each agenda.

4. Composition and reporting

The Audit Committee will consist of no fewer than 1 Trustee and no fewer than 1 Member appointed by the Board and others with appropriate skills expertise of whom at least 1 are external and independent of the charity.

Any trustee may attend a meeting of the Audit Committee, including those who are not members of the Audit Committee. The Chief Executive Officer and the Finance Manager shall be in attendance at meetings when requested.

5. Frequency of meeting

A minimum of three times a year

6. Quorum

At least three Members including at least one Trustee.

7. Minutes of Meetings

7.1 The Group must have minutes that are entered in minute books at the Company office and copies of these minutes must be given to all Trustees and be posted on the website.

8. Voting

8.1 A majority from members present with the Chair having casting vote if no majority

9. Main Duties

- i. To recommend to the Board of Trustees a framework of effective audit coverage, having reviewed the internal and external audit processes
- ii. To advise the Board of Trustees on the minimum and optimum level of internal and external audit arrangements
- iii. To ensure that regular audits are carried out in the following areas: legal, risk, financial (including statutory annual audits, VAT, PAYE), health and safety, investments and insurance, and to contribute to these reviews
- iv. To monitor internal and external audit reviews and to advise the Board of Trustees accordingly. (This may be by means of summary reports from the Chief Executive Officer or internal auditor ensuring that the full reports are available to any member of the Audit Committee or the Trustee Board should they require to see them)
- v. To investigate on behalf of the Board any financial or administrative matter which may put the Charity at risk
- vi. To examine reports on special investigations and to advise the Board of Trustees accordingly

- vii. To consider the appropriateness of executive action following internal audit reviews and to advise senior management on any additional or alternative steps to be taken
- viii. To ensure there is co-ordination and good working relationships between internal audit, external audit and any other review bodies that have been set up
- ix. To encourage a culture within the charity whereby each individual feels that he or she has a part to play in guarding the probity of the charity and is able to take any concerns or worries to an appropriate member of the management team or in exception circumstances directly to the Chair of the Audit Committee
- x. To provide minutes of all Audit Committee meetings for review at meetings of the Board of Trustees

10. External Auditors

- i. To determine the frequency of tendering for external auditing services
- ii. To consider tenders for the external auditing services and recommend to the Board of Trustees which firm should carry out the annual external audit of the Charity's statutory accounts
- iii. To scrutinise and advise the Board on the contents of the draft audit report and of any management letter that the auditors may wish to present to the board and to formulate for Board use any written representations that may be needed by the auditors in connection with the Charity's statutory accounts or any other financial statements
- iv. To discuss with the external auditors any problems or reservations arising from the draft external audit report and draft management letter, reporting relevant issues back to the Board and advising the Board accordingly
- v. To review the performance of the Charity's auditors and advise the Board on any changes that ought to be made to their terms of engagement
- vi. To obtain any necessary external professional advice to enable the Audit Committee to carry out its responsibilities more effectively

11. Review

- 11.1 To review these terms of reference annually