



Trust Audit Risk and Personnel

Terms of Reference

2017-18

1. Constitution

- The Audit, Risk and Personnel (ARP) committee is constituted as a committee of the board of the Engage MAT
- The committee's terms of reference may be amended at any time by the board but will be ratified annually by the board even if there are no amendments.
- The committee may from time to time investigate, discuss or review matters outside its terms of reference if required to do so by the board.

2. Authority

- The committee is authorised: to seek any information it requires from any employees of the company in order to perform its duties
- To have the right to publish in the directors' annual report details of any issues that cannot be resolved between the committee and the board.

3. Membership

- The committee shall be appointed by the board from amongst its members and shall consist of not less than three members.
- The chairman of the committee shall be elected by the committee.
- Members of the committee shall be directors at least one of whom shall have recent and relevant financial experience.
- Appointments to the committee shall be reviewed annually

4. Attendance at Meetings

- The quorum necessary for the transaction of the business of the committee shall be at least three committee members (including the chairman).
- A meeting may be terminated if the members resolve to do so or the number of those present ceases to constitute a quorum
- All members of the board, ARP committee, CEO and Business Director have the right to attend committee meetings. However, other individuals such as members of staff may be invited to attend all or part of any meeting when appropriate.
- At the request of the committee a representative of the external auditors shall attend meetings.



5. Voting

- All members of the committee shall have one vote demonstrated by a show of hands or one vote by proxy.
- No vote shall be taken on any matter unless the majority of members of the committee present are directors
- In the event of a tied result, the chair shall have the final and deciding vote.

6. Frequency of meetings

- Meetings shall be held on the 15th working day of the month at appropriate times in the reporting and audit cycle and otherwise as required.
- An annual calendar will be produced by the Trust Administrator in advance of the next academic year.

7. Notice of meetings

- Meetings of the committee shall be called by the Trust Administrator at the request of any of its members or at the request of the external auditors if they consider it necessary, in addition to the published calendar of meetings.
- Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed and supporting papers, shall be forwarded to each member of the committee and any other person required to attend, no later than seven working days before the meeting.

8. Minutes of meetings

- The Trust Administrator shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.
- The minutes of committee meetings shall be considered at the next board meeting in summary following the committee meeting.

9. Duties

Financial Reporting: The committee shall review and challenge where necessary:

- the consistency of, and any changes to, Financial and Staffing policies on a year by year basis
- the methods used to account for significant or unusual transactions and to ensure the audit of any unofficial Trust funds
- whether the Trust has followed appropriate accounting standards and made appropriate estimates and judgements, taking into account the views of the external auditor
- the clarity of disclosure in the Trust's financial reports and the context in which statements are made; and
- all material information presented with the financial statements, such as the business review/operating and financial review and the corporate governance statement.



Internal controls and risk management systems: The committee shall:

- keep under review the adequacy and effectiveness of the Trust's internal financial controls and internal control & risk management systems; and
- ensure that the Trust has adequate insurance to meet statutory requirements and to make recommendations to the board on whether or not to insure risks not otherwise covered
- review and approve the statements to be included in the directors' annual report about internal controls and risk management.

Compliance, whistleblowing and fraud: The committee shall:

- review the adequacy and security of the Trust's arrangements for its employees and contractors to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters. The committee shall ensure that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.
- review the Trust's procedures for detecting fraud
- review the Trust's systems and controls for the prevention of bribery and receive reports on non-compliance

External audit: The committee shall:

- consider and make recommendations to the board in relation to the appointment, re-appointment and removal of the company's external auditor. The committee shall oversee the selection process for a new auditor and, if an auditor resigns the committee shall investigate the issues leading to his and decide whether any action is required.
- review and monitor the external auditor's independence, objectivity and the effectiveness of the audit process which shall include a report from the external auditor on their own internal quality procedures
- oversee the relationship with the external auditor including (but not limited to)-
 - 1) recommendations on their remuneration whether fees for audit or non-audit services, and that the level of fees is appropriate to enable an adequate audit to be conducted
 - 2) approval of their terms of engagement, including any engagement letter issued at the start of each audit and the scope of the audit
 - 3) satisfying itself that there are no relationships (such as family, employment, investment, financial or business) between the auditor and the Trust (other than in the ordinary course of business)
 - 4) monitoring the auditor's compliance with relevant ethical and professional guidance on the rotation of audit partner, the level of fees paid by the company compared to the overall fee income of the firm, office and partner and other related requirements
 - meet regularly with the external auditor, including once at the planning stage before the audit and once after the audit at the reporting stage. The committee shall meet the external auditor at least once a year, without the CEO and Business Director being present, to discuss the auditor's remit and any issues arising from the audit
 - review and approve the annual audit and ensure that it is consistent with the scope of the audit engagement
 - review the findings of the audit with the external auditor. This shall include-
 1. a discussion of any major issues which arose during the audit
 2. any accounting and audit judgements



3. levels of errors identified during the audit
 4. the effectiveness of the audit
- The committee shall also review the management letter and response to the auditor's findings and recommendations

Personnel

- To review the staffing structure at least annually in relation to priorities for school improvement and to recommend to the board. To oversee the process of staff recruitment and reductions in order to achieve a balanced budget.
- To agree procedures for the appointment of school staff in line with the Engage MAT delegation of responsibility For the appointment of Heads of School authority is delegated to the Trust board. The board will agree a selection panel of at least three members with the CEO and Business Director if appropriate, who will select candidates for interview, carry out interviews and recommend to the board an interviewee for appointment.
- In relation to all other staff appointments the board will delegate to the Executive Head the responsibility for making such appointments and shall involve members of the appropriate LGB in the selection process. The final decision in making such an appointment is the Head's.
- To ensure that job descriptions are reviewed annually and are available for all roles
- To monitor and review all staffing policies and procedures These cover issues relating to pay; staffing adjustments; recruitment and selection; equal opportunities; employee relations; conduct and capability; grievance , whistleblowing and dismissal.
- To monitor and promote Staff Training and Development (including Well-Being)
- To ensure that the board appoints two directors to conduct the Performance Review of the CEO and Business Director, in addition, an Appeals Committee to investigate any complaint from staff, parents and other HR issues.
- To ensure, via reports from the LGB, that the Performance Management policy is implemented throughout the Engage Trust and that all staff are included in the system of performance review.
- To monitor progress on relevant key issues for action post-OFSTED
- To attend or commission appropriate training.
- To report to the full board at each of its meetings.

Agreed (date).....

Signed.....



Designation.....

Review (date).....