



CRANMER EDUCATION TRUST

AUDIT & RISK COMMITTEE

Terms of Reference – 2025-26

Approved by the Audit and Risk Committee – 24th June 2025

CRANMER EDUCATION TRUST
The Blue Coat School, Egerton Street, Oldham. OL1 3SQ

Cranmer Education Trust ("the Trust")

Audit & Risk Committee Terms of Reference

1. Rationale

The Academy Trust Handbook 2024 requires that every Academy Trust **must** establish an Audit and Risk Committee, appointed by the Trust Board, to maintain an oversight of the Academy Trust's governance and risk management, and to provide assurance over the suitability of, and compliance with, its financial systems and operational internal controls and for multi academy trusts this must extend to the financial controls and risks of each Academy.

All trusts with an annual income of over £50 million must have a dedicated Audit and Risk Committee.

The Trust Board has therefore resolved to establish an Audit and Risk Committee, to provide independent oversight and scrutiny of the Trusts risks and financial matters.

2. Composition

The Audit and Risk Committee (the "Committee") is appointed by the Trust Board.

There shall be a minimum of five members of the Committee with any three constituting a quorum. In the event of difficulty in achieving a quorum, Trustees who are not members of the Committee may be co-opted as members for individual meetings, provided most of the quorum are full members of the Committee.

Employees of the trust should not be audit and risk committee members, but the accounting officer and chief financial officer should attend to provide information and participate in discussions.

The Chair and the Vice-Chair of the Committee shall be appointed by the Trust Board. The Chair of Trustees and the Chair of the Finance Committee should not be the Chair of the Audit & Risk Committee

In order to perform his or her role effectively, each Committee member should obtain an understanding of the detailed responsibilities of Committee membership as well as the Trust's risks.

3. Frequency of Meetings and Proceedings

Meetings shall be held three times a year and at such other time as the Chair of the Committee shall deem to be appropriate to coincide with key dates in the company's financial reporting cycle.

The external auditor may request a meeting if they consider that one is necessary.

The committee must have access to the external auditor, as well as their internal scrutineers.

4. Reporting

Unless otherwise agreed by all members of the Committee, notice of meetings, confirmation of the venue, time, and date together with an agenda and all relevant papers, should normally be circulated to each member at least five working days prior to the date of the meeting.

The Clerk appointed at the meeting shall minute the proceedings and resolutions of the Committee. Minutes of Committee meetings shall be circulated to the Trust Board. The Committee reports its findings/recommendations to the Trust Board and the Accounting Officer as a critical element of the Trust's annual reporting requirements.

The Committee shall, at least once a year, review its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Trust Board for approval.

5. Duties

The specific duties of the Committee shall be to:

External Audit

- review the external auditor's plan each year
- review the auditor's findings and actions taken by management in response to those findings
- consider and advise the Board on the Trust's annual and long-term audit programme, ensuring that the Trust's internal controls are subject to appropriate independent scrutiny at least in accordance with Government standards
- assess the effectiveness & resources of the external auditor
- to make recommendations to the Board in relation to the appointment, reappointment and removal of the external auditor and to approve the remuneration and terms of engagement of the external auditor
- discuss the nature and scope of each forthcoming audit
- consider all relevant reports by the appointed external auditor, including reports on the Trust's accounts, achievement of value for money and the response to any management letters
- monitor the management's response and implementation of any actions to address adverse control findings or recommendations made by the appointed external auditor

Internal Scrutiny

- to make recommendations to the Board in relation to the appointment, reappointment and removal of the internal scrutineer and to approve their remuneration and terms of engagement
- oversee and approve the trust's annual programme of internal scrutiny reviewing the ratings and responses on the risk register to inform the programme of work
- consider reports at each meeting from those carrying out the programme of work
- consider progress in addressing recommendations
- ensure that risks are being addressed appropriately through internal scrutiny
- report to the board on the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks.

Risk

- monitoring the risk profile of the business against the Trust Board's desired risk appetite.
- monitoring the effectiveness and output of the annual risk management process.
- assessment of the overall population of risk within the risk registers, including any changes during the period
- consideration and challenge of risk prioritisation as provided by the risk owners, including discussion of any discrepancies
- ensuring that risk management is appropriately embedded within line management and that this process is monitored

Business continuity

- To develop and continually monitor the effectiveness of a Trust Business Continuity Policy and Academy Critical Incident Plans and to periodically test the underlying assumptions of the policy and plans.

Other

- consider any other matters, where requested to do so by the Trust Board; and
- The Committee should describe its work in discharging its audit responsibilities in an Annual Report as part of the Trust's annual reporting requirements for the financial statements. The report should include:
 - the significant issues that it considered in relation to the financial statements.

- an explanation of how it has assessed the effectiveness of the external audit process and the approach taken to the appointment, continuation or reappointment of the external auditor, and information on the length of tenure of the current audit firm and when a tender was last conducted;
- and, if the external auditor provides non-audit services, an explanation of how auditor objectivity and independence is safeguarded
- report on the approach taken to appointment of, the processes undertaken, and results achieved in relation to the work of the internal scrutineer

6. Authority

The Committee is an advisory body with no executive powers. However, it is authorised by the Trust Board to investigate any activity within its terms of reference or specifically delegated to it by the Trust Board, and to seek any information it requires from staff, who are requested to co-operate with the Committee in the conduct of its enquiries.

The Committee has the authority to obtain outside legal or independent professional advice if it considers this necessary. The advisers may attend meetings as necessary and the cost of the advisers shall be borne by the Trust.