

SALT Audit Committee Terms of Reference

Membership

The Audit Committee (AC) is a committee of the SALT Board and reports directly to the Board. The AC shall be appointed by the Board and consist of at least three Board members. The AC has the power to co-opt up to three additional members.

The Chair of the AC will be appointed by the Board.

Attendance

Board members who are not members of the AC will have the right to attend meetings; Executive Officers and external advisors may be invited to attend for all or part of any meeting, as and when deemed by the committee to be appropriate and necessary.

At least once per year, the AC will meet with the external auditor without members of management present.

The AC may also invite external individuals/organisation (professional advisors) to attend its meetings as it considers necessary, but does not have the authority or power to enter into any contract on behalf of SALT.

Frequency of Meetings and Proceedings

The AC will meet once per term or at any such time as the Chair shall deem to be appropriate.

Unless otherwise agreed by all members of the AC, 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 and non-member (where appropriate) at least seven working days prior to the date of the meeting.

The quorum for meetings of the AC shall be two members and only members will be deemed to have voting rights. A duly convened meeting of the AC at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the committee.

Reporting

The AC shall appoint a Clerk who shall minute the proceedings of its meetings. Minutes shall be circulated promptly to all members of the AC for approval and subsequent distribution.

The minutes of the AC will be distributed to the external auditors of SALT and the Local Governing Bodies of SALT's constituent academies.

The Chair of the AC shall report to the Board on all matters within its Terms of Reference.

Purpose

The AC will have a collective responsibility to:

1. help promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds;
2. ensure compliance with the accounting requirements of the DFE, ESFA and HM Treasury , if and when appropriate;
3. improve the quality of financial reporting by reviewing internal audit reports, internal financial reports and SALT's statutory financial statements;
4. approve the terms of reference and the remuneration to be paid in respect of external audit services provided;
5. review the annual performance of the external and regularity auditors and recommend to the Board the re-appointment or discharge of the auditors;
6. discuss, review and approve with the external auditors the nature, scope and audit plan for the annual audit, including co-ordination of audit effort with internal audit and to ensure that the external auditors have the fullest co-operation of staff;
7. review, discuss and approve the external auditors' Management Letter and Audit Findings documents;
8. review and approve the Letter of Representation that is given by the Board to the external auditors in connection with the statutory financial statements;
9. discuss, review and approve with the internal auditor the nature, scope and audit plan for the annual programme of work, including co-ordination of audit effort with external audit where appropriate and to ensure that the internal auditor has the fullest co-operation of staff;
10. review the annual performance of the internal auditor and to recommend to the Board the re-appointment or discharge of the internal auditor;
11. consider all relevant reports by the ESFA and the appointed external auditors, including reports on the SALT's statutory financial statements, achievement of value for money and the response to any Management Letters;
12. review the effectiveness of SALT's internal control and risk management systems to ensure they meet best practice standards as identified by the external/internal auditors, and the ESFA;
13. annually review the AC's Terms of Reference;

14. provide an annual report to the SALT Board on the discharge of the above duties on a consistent basis; and
15. review the proposed consolidated budget for the Trust, to analyse, challenge and if necessary, request additional information or revisions before recommending the budget to the Board for approval. This must take place after the LGCs have met and approved their individual submission and before the Trust Board meets in order to meet the governance needs of the organisation.
16. regular scrutiny of the Trust's financial position.
17. regular review of SALT's Risk Register; and
18. consider any other matters where requested to do so by the board.

Restrictions

The objectives of the AC will not be unfairly restricted to a financial nature; all aspects of SALT's operations will be open to scrutiny.

Governance

The AC will ensure compliance with the following governance protocols:

1. comply with all relevant regulatory and legal requirements;
2. maintain high standards of ethical behaviour, governance and personal conduct;
3. ensure adequate record keeping and reporting protocols are adhered to; and
4. safeguard the values and belief structure of SALT.

Executive Authority

The AC is an advisory body; however, it is authorised by the Board to investigate any activity within its terms of reference and to exercise any powers it has under the schemes of delegation and decision making framework. The AC may seek any information it requires from staff, who are requested to co-operate with it in the conduct of its inquiries. Requests for work, and reports received, from the external auditors or the ESFA will be channelled through the Accounting Officer.

The AC is authorised to obtain independent professional advice if it considers this necessary.

Monitoring Arrangements

All elements of the AC Terms of Reference will be monitored by the Trust Secretary, reviewed annually by the AC, and submitted to the Board for approval.