

TERMS OF REFERENCE FOR AUDIT AND RISK COMMITTEE (ARC)

The Terms of Reference have been prepared and agreed upon by the Board of Trustees of Forge Brook Trust, who may review them at any time, but shall review them at least annually.

These Terms of Reference may only be amended by the Board of Trustees of Forge Brook Trust.

CONSTITUTION AND MEMBERSHIP OF THE COMMITTEE

The committee shall be made up of at least three Trustees with membership decided by the Board of Trustees.

The Chair of the committee shall be elected by the Trustees at the first meeting of the new academic year.

The Clerk to the committee (the Clerk) will be appointed by the Board of Trustees.

PROCEEDINGS OF THE COMMITTEE

The committee shall meet three times per academic year.

The quorum for meetings and decisions shall be three Trustees. Every matter to be decided at a meeting of the Board shall be determined by a majority of the votes of the Trustees present and entitled to vote on the matter. Where there is an equal division of votes, the Chair of the meeting shall have the casting vote. A Trustee may not vote by proxy.

Attendance at each committee meeting, issues discussed and recommendations for decisions will be recorded in the minutes. The Clerk will ensure that the minutes are produced in sufficient time for their inclusion on the agenda of the next meeting of the Board of Trustees.

At every meeting of the committee the minutes of the last meeting shall be taken as the first agenda item after any apologies, Business Interest Changes and any exceptional items and, if agreed to be accurate, shall be signed as a true record.

The committee is authorised to invite attendance at its meetings from members of staff and any other individuals as it sees fit, to assist or advise on a particular matter or range of issues.

ARC will undertake the following actions:

1. ARC will determine

- a. the key areas of risk to the Trust, in consultation with the executive team – these may be strategic, compliance-related, financial, operational or reputational
 - b. a recommendation annually to Members for the appointment of external auditors
 - c. the appointment, focus and scope of internal audit activity
 - d. the impact of any external or internal audit findings on the rights of the Trust
 - e. any non-executive actions required as a result of the findings of external and internal audit processes.
2. ARC will present to the Board for approval
 - a. the annual financial statements on behalf of the Board
 - b. statutory policies such as complaints, data protection and health and safety

ARC will hold the executive to account as follows:

1. ARC will ensure
 - a. the Trust has a robust approach to risk management which informs strategic planning and operational decision making
 - b. the Trust has an internal and external audit and scrutiny regime which is compliant with statutory requirements, and which drives performance improvements
 - c. the Trust has a thorough approach to due diligence regarding growth or to any other activity it proposes to undertake
 - d. the Trust is legally compliant and following best practice regarding key areas of risk, including (but not limited to) safeguarding, health and safety, data protection and information sharing
 - e. the Trust has a robust approach to business contingency planning and crisis management
 - f. the Trust has an open, transparent and ethical culture and learns from mistakes
 - g. the Trust maintains adequate insurance and indemnity (including for appropriate individuals).
2. ARC will scrutinise
 - a. the Trust's risk register along with procedures and controls for managing risk
 - b. activity and impact reports regarding key areas of risk, including (but not limited to) safeguarding, health and safety, data protection, cybersecurity, educational trips and visits and formal complaints
 - c. the extent to which risk management is embedded across all parts of the Trust (including within governance and individual academies)
 - d. the planning for, execution of and response to internal and external audits, including the external auditors' management letter
 - e. the approach to due diligence regarding new business
 - f. the Trust's internal control systems to ensure that they are fit for purpose and operating in accordance with the internal financial regulations and procedures.
 - g. The Trust's asset inspection regime
 - h. the Trust's processes regarding business contingency planning and crisis management.