Audit and Risk Assurance Committee Terms of Reference (ARAC)

2026 - 2027

Reviewed by: Maxine Godfrey, Governance Professional
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THE BALCARRAS TRUST

Audit and Risk Assurance Committee

Terms of Reference

The Board of Trustees of the Balcarras Trust has established an Audit and Risk Assurance Committee (ARAC) as a committee of the board. Its prime function is to advise the board and the Accounting Officer, supporting them in their responsibilities for governance, risk management and control by reviewing and scrutinising the effectiveness and reliability of assurances given to the board and the correctness of processes and procedures, both financial and non-financial. Also ensuring that the internal control and governance procedures have been followed correctly.

Membership

The Committee shall comprise a minimum of three members appointed by the Board of Trustees. Membership should include Trustees and may include appropriately skilled co-opted or independent members where approved by the Board. The Committee should collectively possess appropriate skills and experience in finance, audit, risk management, governance and compliance.

The Chief Executive Officer, Chief Financial Operating Officer, Internal Scrutiny Provider and External Auditor may attend meetings by invitation but shall not be members of the Committee.

The ARAC may

- Co-opt additional members for a period not exceeding a year to provide specialist skills, knowledge and experience.
- Procure specialist ad-hoc advice at the expense of the Trust with the agreement of the board and subject to any budget approved by the board.

Authority

The Committee is authorised by the Board of Trustees to investigate any activity within its terms of reference, to seek any information it requires from employees, Trustees or advisers of the Trust, and to obtain appropriate professional advice, subject to Board approval where expenditure is incurred.

Meetings

The ARAC shall be provided with a secretariat function by Maxine Godfrey, BAT Governance Professional.

The Committee shall normally meet at least three times per academic year and may meet more frequently where required. The Chair of the Committee may convene additional meetings as considered necessary additional meetings as thought necessary. The chair should be a non-executive Board member who should be elected at the first Trust board meeting of the year.

A minimum number of 3 members of the ARAC shall be present for the meeting to be deemed quorate, with at least two being non-executive board members.

ARAC meetings will normally be attended by the Accounting Officer, the Chief Financial Officer, the Risk Manager and, when deemed necessary, a representative of external audit. Other officials of the Trust may be asked to attend to assist with discussions on any particular matter.

The ARAC may ask any or all of those who normally attend, but who are not members, to withdraw to facilitate open and frank discussion of particular matters.

The board, or the Accounting Officer, may ask for further meetings of the ARAC to discuss particular issues on which they want the committee's advice.

Responsibilities

The Committee shall oversee the Trust's programme of internal scrutiny, recommend the appointment of any internal scrutiny provider to the Board, approve the annual programme of work, receive reports, monitor management responses and seek assurance that identified recommendations are implemented within agreed timescales.

- Finance office,
- Health and Safety
- HR
- IT

The ARAC shall advise the board and Accounting Officer on: -

- Review the adequacy and effectiveness of the Trust's risk management framework, including oversight of strategic, operational, financial, compliance and reputational risks, and provide assurance to the Board regarding the management of significant risks.
- The accounting policies, the accounts and the annual report of the Trust including the accounts review prior to submission for external audit and results of both internal scrutiny and external audit.
- The plans for the activity and results of both internal scrutiny and external audit.
- Matters relating to the management of risk, including the monitoring of progress on plans to mitigate significant risks.
- Corporate governance and issues identified by scrutiny or audit activity.
- The effectiveness of internal control environment.
- Anti-fraud policies and whistleblowing processes and policy.
- The Committee shall undertake an annual review of its effectiveness, skills, membership and Terms of Reference and make recommendations for improvement to the Board where appropriate.
- The Committee shall provide regular updates to the Board of Trustees and produce an annual report summarising its work, key findings, assurances received, recommendations made and its assessment of the effectiveness of the Trust's systems of internal control, risk management and governance.
- Any recommendations or votes taken by the Committee shall be for the purpose of advising and making recommendations to the Board of Trustees and shall not constitute a final decision of the Trust unless expressly delegated through the Scheme of Delegation.
- Review arrangements relating to fraud prevention, detection and response, whistleblowing, regularity, propriety and compliance with the requirements of the Academy Trust Handbook.
- Review assurance relating to cyber security, information governance, digital resilience and compliance with relevant data protection requirements.