



**Holy Cross Catholic MAC**  
**(The 'Company')**

**TERMS OF REFERENCE**

**Audit Committee**

**Adopted by the Board: 20 December 2023**

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## Document Control:

### Version History

Version	Status	Date	Author	Department	Summary of Changes
1.0	Draft	June 2019	J Parry	HCCMAC, Central Team	Draft document for Board Approval
1.1	<b>Approved</b>	5 Sept 2019		MAC Board	Approved by MAC Board of Directors
2.0	<b>Approved</b>	2 Sept 2020	J Parry	HCCMAC, Central Team	Amended terms of Reference approved by MAC Board.
<b>2.1</b>	<b>Approved</b>	<b>1 Sept 2021</b>			<b>Approved by MAC Board.</b>
<b>2.2</b>	<b>Approved</b>	<b>19 October 2022</b>			<b>Approved by MAC Board</b>
3.0	Draft	5 Dec 2023	J Parry	HCCMAC, Central Team	Amended to include ToR of Estates sub-committee from Sept 2023 Presented to MAC Board 20 December 2023
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# Holy Cross Catholic Multi-Academy Company

## Terms of Reference – Audit Committee

### 1. Introduction

The Committee is authorised to:

- Carry out any activity authorised by the MAC Board;
- Investigate any activity within its terms of reference or specifically delegated to it by the Board;
- Seek any appropriate information that it requires from any officer within the Company and all officers shall be directed to co-operate with any request made.
- Request staff attend a meeting of the committee to present information or to answer questions on a matter under discussion.
- Obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or Chair of the Board. However, the Committee may not incur expenditure without the prior approval of the Board of Directors
- Establish time-limited task groups where appropriate.

### 2. Audit Committee Responsibilities

The Audit Committee will exercise responsibility for and oversight of:

#### 2.1 External Audit

- To consider the appointment of the external auditor, assess independence of the external auditor and make recommendation on the appointment to the Board of Directors.
- To make appropriate recommendations through the Company Board to the members of the Company to consider at any general meeting where the accounts are laid before members.
- To recommend the audit fees to the Company Board and pre-approve any fees in respect of non-audit services provided by the external auditor and to ensure that the provision of non-audit services does not impair the external auditors' independence or objectivity.
- To discuss with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor receives the fullest co-operation.

- To review the external auditor's annual management letter and all other reports and recommendations, together with the appropriateness of management's response.
- To review the performance of the external auditor on an annual basis.
- To recommend to the Company Board the appointment / re-appointment of the external auditor.
- To review and consider the circumstances surrounding any resignation or dismissal of the external auditor.

## **2.2 Internal Audit**

- Audit Committee will:
  - a. Ensure that the internal audit function is implemented
  - b. Review the resulting reports and recommendations together with the appropriateness of management's response.
  - c. Monitor the implementation of action agreed by management in response to reports from the external auditor and internal audit.
- The Internal Audit function will be fulfilled by a mutual peer to peer review with another Multi-Academy Company or Trust, or by a suitably qualified external reviewer appointed by the MAC Board.
- The directors will select a Multi-Academy Company or Trust to take responsibility for carrying out an internal audit of the Company's financial arrangements on their behalf.
- The internal audit will be undertaken by an appropriately qualified and experienced individual with the necessary financial skills to be able to perform the role competently.
- The remit will be to provide an independent oversight of the Company's financial affairs, reporting to the Committee in an advisory capacity.
- The main duties will be to provide Directors with ongoing independent assurance that:
  - a. The financial responsibilities of the Company are being properly discharged;
  - b. Resources are being managed in an efficient, economical and effective manner; and
  - c. Sound systems of internal financial control are being maintained.

- A specific programme of checks to be performed will be agreed with this committee and will include checks on bank reconciliations, orders, payroll documentation, delivery notes, invoices, authorisation of transactions and returns to the Department for Education and the Education and Skills Funding Agency, to ensure that the information supplied is consistent with the Company's accounting records.
- After each checking session, a written report will be provided to Directors via this committee.

### **2.3 Financial Management & Policies**

- To keep under review the Company's financial management and reporting arrangements, providing constructive challenge (where necessary) to the actions and judgements of management in relation to the interim management and financial accounts, statements and reports and the annual accounts and financial statements, prior to submission to the Company Board, paying particular attention to:
  - i. critical accounting policies and practices, and any changes in them
  - ii. decisions requiring a major element of judgement
  - iii. the extent to which the financial statements are affected by any unusual or complex transactions in the year and how they are disclosed
  - iv. the clarity and transparency of disclosures • significant adjustments resulting from the audit
  - v. the going concern assumption
  - vi. compliance with accounting standards
  - vii. compliance with DfE and legal requirements
- To review the Company's policy and procedures for handling allegations from whistleblowers.
- To review the Company's policies and procedures for handling allegations of fraud, bribery and corruption.
- To receive reports on the outcome of investigations of suspected or alleged impropriety.
- To review the adequacy of policies for ensuring compliance with relevant regulatory, legal and code of conduct requirements.
- To ensure that any significant losses are investigated and reported to the DfE where required.

- To review the Company’s risk management policy, strategy, processes and procedures for the identification, assessment, evaluation, management and reporting of risks.
- To review the adequacy and robustness of risk registers.
- To keep under review the adequacy and effectiveness of the Company’s governance, risk management and internal control arrangements, as well as its arrangements for securing value for money, through reports and assurances received from management, the Responsible Officer, the External Auditor and any other relevant independent assurances or reports (e.g. from the National Audit Office).
- To review all risk and control related disclosure statements, in particular the Company’s annual “Statement on Internal Control”, together with any associated reports and opinions from management, the external auditor and Responsible Officer, prior to endorsement by the Company Board. General
- To review or investigate any other matters referred to the Committee by the Company Board.
- To draw any significant recommendations and matters of concern to the attention of the Company Board.

### **3. Membership and Administration**

#### **3.1 Membership**

- The Committee will consist of at least two Directors of the Board together with the Catholic Senior Executive Leader (CSEL). Additionally, another co-opted may also be appointed. Any Director may attend and vote at Committee meetings.
- No vote on any matter shall be taken at a meeting of the Committee unless the majority of the Committee members present are Directors. In the event of an equal division of votes, the Chair shall have a casting vote.
- The Committee will be quorate if (i) three members are present (at least one of which must be a Director or (ii) two Directors are present. No resolution may be passed by the Committee unless at least two Directors are present in the relevant meeting.

- The Chair of the Committee shall be appointed by Directors.
- Each school year the Committee shall, at their first meeting in the year, elect a Vice-Chair from among their number.
- No person may act as Chair unless they are also a member of the Company Board.
- The Catholic Senior Executive Leader shall ensure that a clerk is provided to take minutes at meetings of the Committee.
- The Committee may invite attendance at meetings from persons who are not Directors or Committee members to assist or advise on a particular matter or range of issues.
- Agendas will be agreed in advance by the Chair of the Committee (based on, but not limited to, a pre-agreed annual schedule of activity; provided that any member may request that a matter is included in the agenda.

### **3.2 Proceedings of Committee Meetings**

- The Committee will meet as often as is necessary to fulfil its responsibilities but at least three times a year.
- This Committee reports directly to the MAC Board of Directors which receives minutes, reports and recommendations from the Committee.
- Any two Committee members can request that the Chair convene a meeting by giving no less than 14 days prior notice.
- Every question to be decided at a meeting of the Committee must be determined by a majority of the votes of the members present and voting on the question.
- Each member present in person shall be entitled to one vote.
- A register of attendance shall be kept for each Committee meeting and published annually.
- Administrative support will be provided by the Company Clerk.
- The Committee will review terms of reference and self-assess its performance against these terms of reference on an annual basis.

- Within 14 days of each meeting the Committee will (together called the Committee Reports):
  - i. produce and agree minutes of its meetings;
  - ii. provide a summary document identifying:
    - a. decisions made,
    - b. recommendations to the Company Board,
    - c. items for information for the Company Board and
    - d. items for further discussion by the Company Board.