

Terms of Reference

Audit and Risk Committee

Adopted by Board of Trustees

Date:

20th September 2023

1. Constitution

- 1.1 The Board of Directors of Lincoln Anglican Academy Trust (the Trust Board) hereby resolves to establish a committee of the Trust Board to be known as the Audit and Risk Committee (the committee).

2. Membership

- 2.1 The committee shall consist of at least three members of the Board.
- 2.2 Subject to paragraph 2.4, the committee shall at the first meeting of each academic year, elect a member to act as chair of the committee (the Chair). The committee will elect a temporary replacement from among the members present at the meeting in the absence of the Chair.
- 2.3 The Chair of the committee will not be the Chair of the Board.
- 2.4 No person may act as Chair under paragraph 2.3 unless they are also a Director.
- 2.5 The Chair of the Board will not be a member of the committee but will be invited to attend meetings.
- 2.6 The Chair of the Finance Committee will not be a member of the committee.
- 2.7 Directors shall ensure that a Clerk is provided to take minutes at meetings of the committee.
- 2.8 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. Such persons will not be entitled to vote.
- 2.9 The committee will invite attendance from all Directors to meetings of the Audit and Risk committee.
- 2.10 Employees of the trust will not be audit and risk committee members, but the accounting officer and chief financial officer will attend to provide information and participate in discussions.
- 2.11 At least one member of the audit and risk committee will have recent or relevant accountancy, or audit assurance, experience.

3. Remit and Responsibilities of the Committee

- 3.1 The committee shall be responsible for the matters set out in the Schedule (below) and the Trust Scheme of Delegation.

4. Proceedings of Committee Meetings

- 4.1 The committee will meet as often as is necessary to fulfil its responsibilities but at least three times a year.
- 4.2 Any two committee members can request that the Chair convene a meeting by giving no less than 14 days prior notice.
- 4.3 The quorum for the transaction of the business of the committee shall be two committee members and no vote on any matter shall be taken at a meeting of the committee unless the majority of members of the committee present are Directors.

- 4.4 Every matter 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 matter.
- 4.5 Each member present in person shall be entitled to one vote.
- 4.6 Where there is an equal division of votes, the Chair shall have a casting vote.
- 4.7 A register of attendance shall be kept for each committee meeting and published annually.

5. Authority

- 5.1 The committee is authorised by the Trust Board to carry out any activity authorised by these Terms of Reference and outlined in the Scheme of Delegation.
- 5.2 the Audit and Risk Committee is authorised to:
 - 5.2.1 request any information it requires from any employee, external audit, internal audit, or other assurance provider.
 - 5.2.2 obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

6. Reporting

- 6.1 Within 14 days of each meeting, the committee will produce minutes.
- 6.2 The committee will provide a summary document for Directors outlining any decisions made.

Schedule 1

Responsibilities of the Audit and Risk Committee

- to maintain an oversight of the Academy Trust's financial, governance, risk management and internal control systems
- to report findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the trust's annual reporting requirements.

1. Coverage

The Audit and Risk Committee will:

- advise the board on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:
 - the auditor's/scrutineer's sector expertise
 - their understanding of the trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level
 - the quality of auditor/scrutineer comments and recommendations in relation to key areas
 - where relevant the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
 - the auditor's/scrutineer's use of technology
- ensure there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant
- consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
- encourage a culture within the trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees
- provide minutes of all Audit and Risk Committee meetings for review at board meetings

2. External Audit

- review the external auditor's plan each year
- review the annual report and accounts
- review the auditor's findings and actions taken by the trust's ELT in response to those findings
- produce an annual report of the committee's conclusions to advise the board of trustees and members.

3. Internal Scrutiny

- take delegated responsibility on behalf of the board of trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook.

- conduct a regular review of the risk register
- agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks.
- advise the trustees on the adequacy and effectiveness of the trust's systems of internal control, governance, and risk management processes,
- consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the board on any additional or alternative steps to be taken
- oversee the annual review of the trust's risk register

Summary of Changes

V1	September 2023	Re-write of the terms of reference to align to the revised Scheme of Delegation. Adoption of the new format of the terms of reference