

# OUR LADY OF LOURDES CATHOLIC MULTI ACADEMY



## RISK AND AUDIT DIRECTORS

### TERMS OF REFERENCE

#### 1. AUTHORITY

The Risk and Audit Committee is a Committee of the Board and is authorised to:

- 1.1 Investigate any activity within its terms of reference or specifically delegated to it by the Board.
- 1.2 Require any employee to attend a meeting of the committee to present information or to answer questions on a matter under discussion.
- 1.3 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 in excess of £10,000 in doing so without the prior approval of the Board of Directors
- 1.4 Establish time-limited task groups where appropriate.

#### **The committee is responsible for:**

- 1.5 Maintaining an oversight of the Company's governance, risk management, internal control, and value for money (VFM) framework.
- 1.6 Reporting its findings annually to the Board of Directors and the Accounting Officer as a critical element of the Company's reporting requirements.
- 1.7 Evaluating the risks to the Multi-Academy and agree a programme of works based on evaluation (undertaken by the Responsible Officer)
- 1.8 The Risk and Audit Committee has no executive powers or operational responsibilities/duties.

#### 2. DUTIES

The duties of the Risk and Audit Committee are to:

- 2.1 Advise the Board of Directors and Accounting Officer on the adequacy and effectiveness of the Company's governance, risk management, internal control and VFM systems and frameworks. An annual report will be produced by the Committee in this regard.
- 2.2 Advise the Board on the appointment, re-appointment, dismissal and remuneration of the external and regularity auditor.
- 2.3 Advise the Board on the need for, and then, where appropriate, the appointment, reappointment, dismissal and remuneration of, an internal auditor or other assurance provider to enable the Board to sign the corporate governance statement in the annual accounts.

- 2.4 Advise the Board on an appropriate programme of work to be delivered by independent assurance providers (external auditors and responsible officer). This programme of work to be derived from the Committee's regard of the key risks faced by the Company, the assurance framework in place and its duty to report to the Board as detailed in 3.1.
- 2.5 Review the external auditor's annual planning document and approve the planned audit approach.
- 2.6 Receive reports (annual reports, management letters etc) from the external auditor and other bodies, for example the Education and Skills Funding Agency (ESFA) and National Audit Office (NAO), and consider any issues raised, the associated management response and action plans. Where appropriate, reports should be referred to the Board or other committee for information and action.
- 2.7 Regularly monitor outstanding audit recommendations from whatever source and ensure any delays to implementation dates are reasonable.
- 2.8 Review the Company's fraud response plan and ensure that all allegations of fraud or irregularity are managed and investigated appropriately.
- 2.9 Consider any additional services delivered by the external auditor or other assurance provider and ensure appropriate independence is maintained.
- 2.10 Ensure appropriate cooperation and coordination of the work of the external auditor and responsible officer.
- 2.11 Meet with the external auditor and responsible officer, without management present, at least annually.
- 2.12 Approve and set up Directors Expenses scheme if required.

### **3. Administration**

- 3.1 The Risk and Audit Committee will meet at least once per term.
- 3.2 A Chair will be elected by the committee members
- 3.3 The Committee will consist of Three Directors of the Board. Additionally, up to two external coopted members may also be appointed. The Chair of the Board **cannot** be a member of the Audit Committee.
- 3.4 Staff currently employed by the academy trust cannot be members of the audit committee or participate as members when matters relating to audit are discussed in a combined finance and audit committee. Senior staff can and should attend routinely attend to provide information and participate in discussions
- 3.5 The Committee will be quorate if at least 50% of members are Board members.
- 3.6 The Accounting Officer, Chief Finance Officer and other members of the Company staff may be invited to attend but will have no voting rights.
- 3.7 Administrative support will be provided by the Clerk to the Directors and the Company Secretary.

3.8 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) and papers will be circulated to members and attendees at least 5 working days in advance of the meeting.

3.9 Minutes of meetings will be taken and once approved in draft by the Chair of the Committee, be submitted to the next scheduled meeting of the Governing Body.

3.10 The Committee will review these terms of reference and self- assess its performance against these terms of reference on an annual basis.

**Terms of reference agreed by the Board on:**

**1<sup>st</sup> April 2020**