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# Finance & Resources Committee and Annual Audit Committee Terms of Reference (LLT)



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<i>Origination</i>	<i>Authorised by</i>	<i>Issue No.</i>	<i>Page 1 of 5</i>	<i>Date</i>
<i>D Moss</i>	<i>LLT Board</i>	<i>1</i>		<i>Sept 2019</i>

# Finance & Resources and Annual Audit Committee (LLT)

These committees are sub committees of the Trust Board and as such, are accountable to the Trust Board for all decisions.

## Meetings

- **Finance & Resources Committee**

Meetings will be held once a term.

- Meeting 1      end Nov/early Dec
- Meeting 2      end Jan/Feb
- Meeting 3      end May/June

Meeting 1 - held in November/December will review and approve the audited year end accounts, financial statements and accounting policies. These will then be ratified at the LLT Board, prior to recommendation to the Members. The accounts & statements will then be submitted to the Secretary of State (by 31 December and filed with Companies House, within the required timescales.

Meeting 3 - held towards the end of the summer term (May/June), will ratify the Budget for the following academic year, prior to approval by the LLT Board.

- **Audit Committee**

Meetings will be held once a year, in December and prior to the LLT Board and Members meetings.

Any additional meetings of these committees would be by exception and in agreement with the relevant Chair and Senior Clerk.

The agenda and paperwork relating to each meeting will be available 7 days prior to the meeting, usually via GovernorHub.

All committee meetings will be minuted by the Senior Clerk to LLT or, in their absence, someone appointed by the Clerk or Chair. The minutes will be available to all Governors on GovernorHub.

The Chair of the sub-committees will co-ordinate the preparation of any requested report on matters relating to the work of the committees, for both the LLT Board and Members.

## Quorum

The committee will be quorate when 50% of the members are present.

## Committee Chair

The Chair is elected each year by the LLT Board.

For the academic year 2019/20 the committees will both be chaired by Helen Heap.

If the Chair is absent from a meeting, the Vice Chair Graham Hewer will run the meeting.

<i>Origination</i>	<i>Authorised by</i>	<i>Issue No.</i>	<i>Page 2 of 5</i>	<i>Date</i>
<b>D Moss</b>	<b>LLT Board</b>	<b>1</b>		<b>Sept 2019</b>

# Finance & Resources and Annual Audit Committee (LLT)

## Voting Rights

In respect of these committees, all members have equal voting rights for finance related matters. In the event of an equal division of votes, the Chair shall have a second or casting vote. However, no vote on any matter shall be taken at a meeting of a committee unless the majority of members of the committee present are Directors.

Whilst the Chief Executive Officer (CEO) and other senior trust staff are in attendance at the committee meetings they will have no voting rights on Audit related matters, in accordance with Academies Financial Handbook.

## Delegated Powers and Functions

A Scheme of Delegation is available separately and reviewed annually.

## Accountability

These committees report directly to the Lydiate Learning Trust Board who receive minutes, reports and recommendations from them.

## Purpose

- Support the Board in fulfilling statutory duties relating to finance, audit and resources;
- Support the Board in understanding the unique context of each academy whilst ensuring a consistent approach to reporting and that finance and resources are effectively managed across the Trust;
- Support the Board in understanding relevant data;
- Support the strategic role of the school leadership;
- Ensure provision of a framework for effective financial management, monitoring and evaluation;
- Support and challenge by linking the work of committees to key priorities in the Academy and Trust Development Plans.

## Key Responsibilities

- **Responsible Officer**

The Directors will nominate a responsible officer (RO) to take specific responsibility for auditing the Trust's financial arrangements on their behalf. The RO will be an appropriately qualified and experienced individual (but not an employee of the Trust) with the necessary financial skills to be able to perform the role competently. The remit of the RO is to provide an independent oversight of the Trust and each academy's financial affairs, reporting to the committee in an advisory capacity.

<i>Origination</i>	<i>Authorised by</i>	<i>Issue No.</i>	<i>Page 3 of 5</i>	<i>Date</i>
<b><i>D Moss</i></b>	<b><i>LLT Board</i></b>	<b><i>1</i></b>		<b><i>Sept 2019</i></b>

# Finance & Resources and Annual Audit Committee (LLT)

The main duties of the RO are to provide Directors with ongoing independent assurance that:

- the financial responsibilities of the Trust are being properly discharged;
- resources are being managed in an efficient, economical and effective manner; and
- sound systems of internal financial control are being maintained.

A specific programme of checks to be performed will be agreed with Directors and will include checks on bank reconciliations, orders, payroll documentation, delivery notes, invoices and returns to the DCSF to ensure that the information supplied is consistent with the Trust's and Academy's accounting records. After each checking session, the RO will provide Directors with a written report.

## Finance & Resources Committee

This committee will exercise responsibility for and oversight of:

- **Finance & Risk**

This committee has primary responsibility for ensuring that all of the Trusts financial accounting systems and internal controls meet legal and DfE requirements and are vested in management practice within each of the schools, overseen by each of the Academy Governance Committees (AGCs) and in turn, the Trust Board. A key objective of the committee is to ensure that the risks of each of the schools (both financial and other) are identified, regularly reviewed and escalated to the Trust Board where necessary.

The committee's **Finance** duties include:

- Overseeing preparation of the Annual Budgets.
- Ensuring that the Annual Financial statements and report for the Trust give a full and accurate view of activities across the Trust.
- Ensuring that an appropriate Scheme of Delegation is in place.
- Reviewing and monitoring all policies within the committee's scope including those related to Risk Assessments, Governor Expenses and Contracts.
- Approving the opening and operation of any Trust and Academy bank accounts.
- Ensuring that the Academy's Asset Management Plans are regularly updated.

The committee's **Audit-related** responsibilities are in line with the Academies Financial Handbook. These include:

- Internal scrutiny of all financial processes to ensure that appropriate accounting methods are in place across the Trust.
- Risk Management with respect to all financial controls.
- Management of the Audit Plan – prepared by the External Auditor.
- Contributing to the governance statement that accompanies the Annual Accounts and providing assurance to the external auditors.
- Reporting of the current financial position to the Trust Board.
- Escalation to the Trust Board, of any matters that pose a significant risk to the Trust reputation or resources.

<i>Origination</i>	<i>Authorised by</i>	<i>Issue No.</i>	<i>Page 4 of 5</i>	<i>Date</i>
<b><i>D Moss</i></b>	<b><i>LLT Board</i></b>	<b><i>1</i></b>		<b><i>Sept 2019</i></b>

# Finance & Resources and Annual Audit Committee (LLT)

## The Staff of Lydiate Learning Trust;

- Reviewing the Trust approach to resource planning and vacancy filling
- Setting staff recruitment procedures including vetting requirements.
- Overseeing staff appointment procedures
- Ensuring that equal opportunities are provided in the Trust approach to recruitment.
- Overseeing performance management arrangements
- Monitoring attendance and associated interventions
- Pay Policy
- Staff well-being and retention strategies.

## The Premises of Lydiate Learning Trust

- Setting standards and expectations for Health & Safety across the trust
- Reviewing and approving recommendations on premises-related expenditure
- In consultation with the CEO, overseeing premises-related funding bids.

## Standing Items for each meeting;

- Detailed Financial Report with projections.
- Risk Report
- Audit Action Plan Update
- Asset Management Plan Update.
- People Update

<i>Origination</i>	<i>Authorised by</i>	<i>Issue No.</i>	<i>Page 5 of 5</i>	<i>Date</i>
<b><i>D Moss</i></b>	<b><i>LLT Board</i></b>	<b><i>1</i></b>		<b><i>Sept 2019</i></b>