

Finance, Audit and Risk Committee



Terms of Reference

September 2024

Finance, Audit & Risk Committee

Purpose of the committee

The over-arching purpose of the Trust and (by delegation) all of its committees, is to deliver its vision: the belief in educational excellence. We aim to serve our pupils, staff, parents and their local community by providing our schools with the highest levels of academic rigour and pastoral care. Through this purpose, the Trust and its committees will enable its schools to be places where children and young people develop and thrive intellectually, socially, culturally and spiritually.

The specific purpose of this committee is to monitor the work of the Multi Academy Trust in terms of its financial control and report to the Trust, and to ensure that there is a framework for accountability; for examining and reviewing all systems and methods of control both financial and otherwise including risk management.

Membership

- Membership and terms of reference will be reviewed annually by the Trust.
- The committee will comprise four Trustees (including the Chair of the Committee) and up to three members appointed by the Trust, including the chief financial officer.
- When the committee is operating as an Audit committee employees of the Trust will not be part of the committee, but the accounting officer and chief financial officer will attend to provide information and participate in discussions.

Quorum

The quorum shall be three trustees.

Meetings

The committee usually meets twice a term but will meet at least four times a year. The Committee shall elect a Chair annually who will be responsible for ensuring the agendas are produced, minutes of the meeting are taken and are circulated to Board members and reported at subsequent Trust Board meetings.

Terms of Reference

Finance

- To produce a Financial Scheme of Delegation which will apply to the Trust and all Academies within it. The Scheme of Delegation should be recommended to the Full Board of Directors for approval and be reviewed annually.
- To review with the Chief Executive and the Chief Finance Officer the projected income of both the Trust and the schools compared to the estimated expenditure for at least three years and where there are any potential budget issues take such actions as may be appropriate or refer to the Trust.
- To recommend to the Trust financial sections for the Trust's Development Plan and oversee the financial section of any school development and improvement plan.
- To consider and agree the annual budgets prepared by the Executive Headteacher and by the Chief Finance Officer. The budgets for the individual Academies will be submitted to the ESFA by the Chief Finance Officer.
- To consider and explore means of external finance available to the Trust.
- To consider and authorise where appropriate, all expenditures, contracts, asset disposals, durations or terms specified in the Scheme of Delegation.
- To consider regular budget monitoring reports and periodic strategic financial projections prepared by the Chief Finance Officer and submit reports to the Trust on the budget position, together with any proposed corrective action to address significant variances between expenditure and budget.
- To consider regular Cash flow projections to ensure the viability of the Trust.
- Consider the effect on the budget of changes in pay structure and of any new appointments or changes in existing employees' salaries.
- Where financial benchmarking is available, use it to compare expenditure with similar schools/academies and to review any value for money statement and efficiency and financial effectiveness throughout the Trust.
- Maintain a register of business interests for trustees and governors
- Review annually all insurance arrangements for the Trust.

- Consider reports and funding proposals from the Trust's committees and from the Chief Executive.

Audit

- Ensure that the Trust's financial procedures (as set out in the scheme of delegation) are reviewed at least annually paying particular attention to any recommendations made by internal or external audit.
- To receive reports from the Internal/External auditor following each monitoring visit. To act on any recommendations after its consideration of such report.
- Review the Risk Register each term, (but at least on an annual basis).
- Agree and prepare the Annual Report and Accounts (in accordance with DfE/ESFA, Companies Act and Charity Commission requirements) for approval by the Trust.
- To investigate on behalf of the trustees any financial or administrative matter which may put the Trust at risk. This may include examining reports on special investigations and advising the Trustees accordingly.

Powers of the committee

The committee shall have the power to require explanations, documents or analysis from any employee of the Trust or any committee member and to make recommendations to officers, committees and Trust. In the event of those recommendations not being accepted by an officer or committee, they must be referred for consideration to the Trust.

Recording and reporting of meeting

A clerk is appointed to the committee, who will produce minutes of all meetings to be circulated before the Trustees' meeting following the committee meeting.

Review of terms of reference and membership

This will be undertaken annually by the Trust