



## The Schelwood Trust

# **FINANCE, RESOURCES, AUDIT & RISK COMMITTEE TERMS OF REFERENCE**

### **1. Membership**

- i. The Finance, Resources, Audit & Risk Committee shall comprise at least three members and no more than nine members all appointed by the Board of Trustees.
- ii. The Chair of the Trust Board and the two Headteachers shall be in attendance at all meetings but will not be members of the committee.
- iii. Each Local Governing Body shall have a member on the Finance, Resources, Audit & Risk Committee who is either the Chair or Vice Chair of the Local Governing Board or Link Governor for Finance.
  - In the event of there being more than two Local Governing Boards, the Chairs of the Local Governing Boards shall elect two persons from amongst their members, to become members of the Finance, Resources, Audit & Risk Committee.
- iv. Appointments to the Finance, Resources, Audit & Risk Committee shall be confirmed annually by the Board of Trustees.
- v. The Board of Trustees shall appoint the Finance, Resources, Audit & Risk Committee Chair. In the absence of the Finance, Resources, Audit & Risk Committee Chair the remaining members present shall elect one of themselves to Chair the meeting.

### **2. Attendance**

- i. The Chief Financial Officer will be expected to attend all committee meetings but not to be a voting member.
- ii. The Trustees have the right to attend Finance, Resources, Audit & Risk Committee meetings.

### **3. Clerking**

- i. The committee members in consultation with the Trust Board, shall appoint a suitably qualified person to act as the Clerk of the Finance, Resources, Audit & Risk Committee.

### **4. Quorum and Voting**

- i. The quorum necessary for the transaction of business shall be three.
- ii. A duly convened meeting of the Finance, Resources, Audit & Risk Committee at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions vested in or exercisable by the Finance, Resources, Audit & Risk Committee.
- iii. Only Finance, Resources, Audit & Risk committee members may vote, and every member shall have one vote.
- iv. Every question to be decided at a Finance, Resources, Audit & Risk committee meeting shall be determined by a majority of votes of the members present and voting on the question.
- v. Where there is an equal division of votes, the Chair of the meeting shall have a casting vote in addition to any other vote he/she may have.

### **5. Frequency of Meetings**

- i. The Finance, Resources, Audit & Risk Committee shall meet a minimum of once a term with meetings normally scheduled at least two weeks before a meeting of the Trust Board of Trustees; at appropriate times in the finance cycle (see Appendix 1) and otherwise as required.

### **6. Notice of Meetings**

- i. Meetings of the Finance, Resources, Audit & Risk Committee shall be called by the Clerk at the request of any of its members.
- ii. Notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the Finance, Resources, Audit & Risk Committee, any other person required to attend, no later than seven clear days before the date of the meeting.

- iii. Supporting papers shall be sent to Finance, Resources, Audit & Risk Committee members, and to other attendees as appropriate, at the same time.

## **7. Minutes of Meetings**

- i. The Clerk shall minute the proceedings and decisions of all meetings of the committee, including recording the names of those present.
- ii. Draft minutes of committee meetings shall be circulated promptly to all members of the committee. Once approved, minutes should be circulated to all members of the Trust Board for information and any relevant discussion at The Trust Board meetings.

## **8. Purpose**

- i. Assist the decision making of the Trust Board, by enabling more detailed consideration to be given to the best means of fulfilling the Trust Board's responsibility to ensure sound management of the academy trust's finances and resources, including proper planning, monitoring and probity.
- ii. Make appropriate comments and recommendations on such matters to the Board of Trustees on a regular basis.
- iii. Refer major issues to the Trust Board of Trustees for ratification.

## **9. Authorisation and Duties – Financial**

- i. Subject to the requirements of the Academies Act 2010, and the latest Academies Financial Handbook and any further guidance the committee is authorised to:
  - Consider the academy trust's indicative funding, notified annually by the ESFA, and to assess its implications for the academy, in consultation with the two Headteachers and the Chief Financial Officer, in advance of the financial year, drawing any matters of significance or concern to the attention of the Trust Board;
  - Consider and recommend, to the Trust Board, acceptance/non-acceptance of the academy trust's budget, at the start of each financial year (formal approval of the academy trust's budget must be given by the full Board of Trustees);

- Contribute to the formulation of the academy trust's development plan, through the consideration of financial priorities and proposals, in consultation with the two Headteachers, with the stated and agreed aims and objectives of the academy trust;
  - Receive and make recommendations on the broad budget headings and areas of expenditure to be adopted each year, including the level and use of any contingency fund or balances, ensuring the compatibility of all such proposals with the development priorities set out in the development plan;
  - Monitor and review expenditure on a regular basis (including the production/monitoring/review of cashflow forecasts) and ensure compliance with the overall financial plan for the academy, and with the financial regulations of the ESFA, drawing any matters of concern to the attention of the Board of Trustees.
- ii. Monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.
  - iii. Recommend the Trustees annual report, and accounts to 31<sup>st</sup> August annually, to the Trust Board for approval before filing with Companies House in January of the following year. The document to be produced in draft by the Chief Financial Officer. Oversee the filing of the completed and signed report in accordance with Companies Act requirements.
  - iv. Receive the annual audited accounts and make recommendations to the Members re acceptance.
  - v. Oversee the preparation, implementation and monitoring of contracts within budget allocations and in accordance with the academy trust's levels of delegation (as set out in Appendix 2).
  - vi. Follow the policies and directives of the DfE and other relevant statutory authorities concerning financial compliance; the upkeep of buildings and land; and human resources.

- vii. Review and recommend approval of finance, personnel and premises related policies (as set out in Appendix 3) to the Trust Board.
- viii. Prepare, monitor and review the five-year estate management strategy in conjunction with the LGBs; Note that in the case of Beechwood School the Trust is bound by the PFI contract and in this case, there is little opportunity for influence at an operational or strategic level.
- ix. Liaise with and receive reports from the LGBs, as appropriate, in relation to ongoing general maintenance of the premises and grounds.
- x. In the event of considering other schools/academies to enter The Schelwood Trust a due diligence exercise will be conducted and this committee is responsible for advising The Trust Board on any financial aspects of that work.
- xi. Review the staffing structure for the academy trust schools in conjunction with the LGBs.
- xii. Advise the Trust Board on matters relating to the efficient and effective use of personnel, premises and grounds.
- xiii. Consider any other matters where requested to do so by the Trust Board.

## **10. Authorisation and Duties – Audit and Risk**

- i. Determine the frequency and process of tendering for the external audit service.
- ii. Consider the appointment, resignation or dismissal of the external auditors, to approve their fee annually, and to review their independence and objectivity and matters relating to the provision of non-audit services.
- iii. Formerly review the performance of the external auditors every three years and make appropriate recommendations to the Members of The Schelwood Trust.
- iv. Consider the external auditors management letter and ensure appropriate action is taken on any issues raised.
- v. Consider any necessary disclosure implications concerning material internal control aspects of any significant problems disclosed in the annual report and accounts.

- vi. Consider the appointment, resignation or dismissal of the Responsible Officer by recommending appropriately to The Trust Board.
- vii. Review the reports of the Responsible Officer and consider management responses to recommendations. To be the final arbiter in the case of any dispute/disagreement.
- viii. Agree a schedule of inspection by the Responsible Officer and the number of visits per year.
- ix. Review, at least annually, the Trust's Risk Register and make recommendations to the Board of Trustees.
- x. Approve the Trust's financial procedures, review these annually, and recommend any issues to the Board of Trustees, ensuring that they are up to date with audit requirements and the requirement of the Academies Financial Handbook.
- xi. Be advised of any instances discovered within the Trust, or affecting the Trust, of fraud or financial misdemeanour and obtain reassurance that the satisfactory management action has been taken.
- xii. Ensure compliance with the delegation of authority as detailed in Appendix 2.
- xiii. Review and approve the Trust's Whistleblowing Policy and procedures, serious incident reporting procedures.
- xiv. Annual review and update these Terms of Reference and submit them to the Board of Trustees for approval.

## **11. Reporting Responsibilities**

- i. The committee Chair shall report formally to the Trust Board on its proceedings after each meeting on all matters within its duties and responsibilities, and a copy of the minutes of each meeting will be circulated to all Trustees and referred to in the agenda of each Trust Board meeting.
- ii. The committee shall make whatever recommendations to the Trust Board it deems appropriate on any area within its remit where action or improvement is needed.

## **12. Other Matters**

- i. The committee shall:
  - Have access to sufficient resources in order to carry out its duties, including access to the company secretariat for assistance as required;
  - Be provided with appropriate and timely training, both in the form of an induction programme for new members and on an ongoing basis for all members;
  - Give due consideration to laws and regulations, as appropriate;
  - Arrange for periodic reviews of its own performance and, at least annually, review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Trust Board for approval.