FINANCE, RESOURCES, AUDIT & RISK COMMITTEE TERMS OF REFERENCE

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. The majority of members of this committee must be Trustees. The Senior Executive Lead will also be a member of the committee.
II. The Chairs of the Local Governing Boards and the two Headteachers may attend all meetings but will not be members of the committee.
III. Appointments to the Finance, Resources, Audit & Risk Committee shall be confirmed annually by the Board of Trustees.
IV. The Board of Trustees shall appoint the Finance, Resources, Audit & Risk Committee Chair. The Chair of the Trust Board cannot also be Chair of the Finance, Resources, Audit and Risk Committee In the absence of the Finance, Resources, Audit & Risk Committee Chair the remaining members present shall elect one of themselves to Chair the meeting.

Attendance

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

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.

Quorum and Voting

I. The quorum necessary for the transaction of business shall be three Trustees.
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 (see Scheme of Delegation).
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 by 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 or she may have.

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 and otherwise as required.

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.

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.

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.

Authorisation and Duties - Financial

I. Subject to the requirements of the Academies Act 2010, and the latest Academy Trust Handbook and any further guidance the committee is authorised to:
    a. Consider the academy trust's indicative funding, notified annually by the ESFA, and to assess its implications for the academy, in consultation with the Senor Executive Lead 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;
    b. 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 The Board of Trustees);

c. Develop a 3 year financial plan, in consultation with the Senior executive Lead, with consideration of the agreed aims and objectives of the academy trust;
d. 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;
e. To develop a Reserves Policy and be clear about the reasoning for decisions;
f. 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;
g. Engage in regular benchmarking against KPIs;
h. 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;
i. Review and recommend the Trustees annual reports and accounts to the Trust Board for approval. The document to be produced in draft by the Senior Executive Lead and Chief Financial Officer. Ensure the filing of the completed and signed report in accordance with Companies Act requirements;
j. Receive the annual audited accounts and make recommendations to the Members re acceptance
k. Ensure contract tendering compliance and value for money in accordance with the academy trust's levels of delegation (as set out in the financial scheme of delegation);
l. 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;
m. Review and recommend approval of finance, personnel and premises related policies (as set out in the policies schedule) to the Trust Board
n. Monitor and review the 5-year estate management strategy in conjunction with the LGBs (note that for Beechwood School the Trust is bound by the PFI contract which limits the Trust's strategic influence);
o. Receive reports from the LGBs, as appropriate, in relation to ongoing general maintenance of the premises and grounds;
p. In the event of considering other schools/academies to join The Schelwood Trust a due diligence exercise will be conducted and this committee will be responsible for advising The Trust Board on any financial aspects of that work;
q. Review the staffing structure for the academy trust schools in conjunction with the LGBs
r. Advise the Trust Board on matters relating to the efficient and effective use of personnel, premises and grounds; and
s. Advise the Trust Board on Internal Scrutiny as it pertains to finances or resources.
t. Establish whether there are any 'Related Party' transactions and if so, whether they need ESFA approval.
u. Ensure returns to the ESFA are submitted annually and on time.
v. Consider any other matters where requested to do so by the Trust Board.

Authorisation and Duties – Audit & 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. Formally review the performance of the external auditors every 3 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. Review, at least annually, the Trust's risk register and make recommendations to the Board of Trustees.
VII. 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 Academy trust handbook.
VIII. 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.
IX. Ensure compliance with the delegation of authority as detailed in Appendix 2.
X. Review and approve the Trust's Whistleblowing Policy and procedures, serious incident reporting procedures.
XI. Annual review and update these Terms of Reference and submit them to the Board of Trustees for approval.

Reporting responsibilities

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 The Trust Board meeting.

I. 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.

Other matters

The committee shall:

I. Have access to sufficient resources in order to carry out its duties, including access to the company secretary for assistance as required.
II. 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.
III. Give due consideration to laws and regulations, as appropriate.
IV. 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.