

The Finance and Audit Committee

Terms of Reference

Responsibilities

1. To maintain an oversight of the Academy Trust's (AT's) financial, governance, risk management and internal control systems.
2. To report its findings termly and annually to the Trust Board and the Accounting Officer as a critical element of the AT's annual reporting requirements.
3. The Finance and Audit Committee has no executive powers or operational responsibilities/duties.

Authority

4. The Finance and Audit Committee is a Committee of the Academy Trust Board and is authorised to investigate any activity within its terms of reference or specifically delegated to it by the Board.
5. The Finance and Audit Committee is authorised to:
 - request any information it requires from any employee, external audit, internal audit or other assurance provider.
 - obtain outside legal or independent professional advice it considers necessary, normally in consultation with the Accounting Officer and/or the Trust Board.

Composition

6. The membership of the Committee will comprise a minimum of 3 trustees.
7. The chair of the board of the academy trust shall not serve as chair of the Finance and Audit Committee
8. Until otherwise determined by the board of trustees, a quorum shall consist of 2 members of the committee.
9. At least one member of the Finance and Audit Committee should have recent or relevant accountancy, or audit assurance, experience.
10. Staff employed by the trust may be invited to attend the Finance and Audit Committee to provide information and participate in discussions but should not be members of the committee, will be separate to the finance committee and not have overlapping membership.
11. Any trustee may attend a meeting of the Finance and Audit Committee, including those who are not members of the Finance and Audit Committee.
12. The chief executive officer/accounting officer and chief financial officer should also attend meetings.

Reporting

13. The Finance and Audit Committee will:
 - report back to the Trust Board regularly every term.
 - provide an annual summary report provided by the internal auditor in areas reviewed by internal audit covering key findings, recommendations and conclusions

Terms of reference - Financial Planning and Monitoring

The duties of the Committee shall include:

14. Setting long term financial goals for the academy.

15. Reviewing three year financial forecasts to track long term financial health.
16. Review and recommending the academy's annual budget to the Board in good time for submission to the ESFA.
17. Monitoring the academy's adherence to the budget and advise the Board accordingly.
18. Reviewing benchmarking data on at least an annual basis to compare financial health and performance to other schools
19. To approve spending decisions as per the financial regulations

Terms of Reference – Audit

The duties of the committee shall include:

20. oversee the trust's risk register and, on the advice of the CEO/accounting officer and CFO, conduct a regular review of risks
21. take delegated responsibility on behalf of the board of trustees for examining and reviewing all systems and methods of control both financial and otherwise including risk analysis and risk management; and for ensuring the Trust is complying with the overall requirements for internal scrutiny, as specified in the Academies Financial Handbook.
22. agree an annual programme of internal scrutiny with the trust's internal auditors for checking financial systems, controls, transactions and risks.
23. ensure that the programme of internal scrutiny delivers objective and independent assurance.
24. provide assurance to the Trust Board that risks are being adequately identified and managed
25. advise the Trustees on the adequacy and effectiveness of the Academy Trust's systems of internal control and governance processes, securing economy, efficiency and effectiveness (value for money)
26. consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise senior management on any additional or alternative steps to be taken
27. advise the Trust Board on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit)
28. monitor the effectiveness of auditors
29. review the findings of the external auditors and agree any action plan arising from it
30. ensure there is co-ordination between internal audit and external audit and any other review bodies that are relevant
31. ensure that additional services undertaken by the auditors is compatible with the audit independence and objectivity
32. consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues.
33. encourage a culture within the trust whereby each individual feels that he or she has a part to play in guarding the probity of the Trust, and is able to take any concerns or worries to an appropriate member of the management team or in exceptional circumstances directly to the Board of Trustees
34. provide minutes of all Finance and Audit Committee meetings for review at board meetings.