Finance Premises People Risk & Audit Committee Terms of Reference

1. Membership

1.1 The Committee will be composed of between 3 and 5 committee members.

1.2 The membership of the Committee may include persons who are not Trustees, provided that a majority of Committee members are Trustees.

1.3 The membership of the Committee will be agreed on an annual basis at the first meeting of the Board in the autumn term.

2. Quorum

2.1 The quorum for the Committee is any one half (rounded up to the nearest whole number) of the members of the Committee.

3. Meetings

3.1 The Committee will meet as often as is necessary to fulfil its responsibilities and at least once each term.

3.2 **Chairing:**

i. The Chair of the Committee will be elected by the Board of Trustees on an annual basis at the first meeting in the autumn term.

ii. In the absence of the Chair the Committee will elect a temporary replacement from among the Trustees present at the Committee meeting.

3.3 **Clerking:**

i. The Governance Professional will circulate an agenda for each meeting and papers at least a week before the Committee meeting.

ii. The Governance Professional will take notes of the meeting.

3.4 **Meeting Records:**

Attendance at the meeting, issues discussed and recommendations for decisions will be recorded. The written record will be prepared in sufficient time for its inclusion on the agenda and papers of the next meeting of the Board, where reasonable, to:

i. ensure compliance with statutory requirements;

ii. to provide information to the Board;

iii. to seek approval of recommendations;

iv. to report the discharge of any delegated powers.

3.5 All members of the Committee may vote at Committee meetings. Where necessary, the elected Chair of the Committee may have a casting vote.

3.6 Trustees should ensure that any pecuniary or conflicts of interest relating to the specific agenda are declared at each meeting by everyone present.

4. Delegated Powers

4.1 See the Financial Regulations and Scheme of Delegation.

4.2 The Committee is authorised to invite attendance at its meetings from persons to assist or advise on a particular matter or range of issues, including members of staff or other Trustees.

4.3 In the event of a need to make genuinely urgent decisions between meetings, the Chair of the Board, in consultation with the Chief Executive and the Committee Chair, will take appropriate action on behalf of the Committee. The decisions taken and the reasons for urgency will be explained fully at the next meeting of the Board.

5. Key Responsibilities

5.1 The Committee will be responsible for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound management of the Trust and Academies' finances and resources, including proper planning, monitoring and probity, in order to maintain the Trust as a going concern and as financially sustainable.

5.2 To receive reports from members of staff about matters relating to any of the issues listed in their terms of reference.

5.3 To scrutinise the Trust and Academies' finance, people, premises, risk and assurance elements, most particularly by:

i. assisting to promote the highest standards of propriety in the use of public funds and encourage proper accountability for the use of those funds.

ii. The Committee will be responsible for the detailed consideration as to the best means of fulfilling the Trust's responsibility to ensure sound organisational design and management of the Trust's Human Resources (HR), Pay and Pensions in Public Service.

iii. To review and recommend HR policy and strategy and to monitor the impact on organisational development and performance.

iv. To monitor and review pay awards across the Trust annually to ensure they remain in line with expectations in terms of the Pay Policy.

v. Promoting a climate of financial discipline and control which will help to reduce the opportunity for financial mismanagement.

vi. Improving the quality of financial reporting by reviewing the external financial statements and reading the reports of the external auditors.

vii. Promoting the development of internal controls and risk management systems which will help satisfy the Board that the Trust and its Academies will achieve their objectives and targets and are operating:

- in accordance with any statutory requirements for the use of public funds;
- within delegated authorities laid down by Board of Trustees;
- in a manner which will make most economic and effective use of resources available.

5.4 The Chair of the Committee will be responsible for giving an oral summary of the Committee's deliberations if necessary at meetings of the Board.

6. Key Tasks

6.1 Finance

i. To consider each Academy's indicative funding, notified annually by the DfE and to assess its implications, in consultation with Headteachers, the CEO and the Chief Finance Officer, in advance of the financial year, drawing any matters of significance or concern to the attention of the Board.

ii. To consider and make recommendations to the Board relating to the approval of the Trust's and Academies' budgets.

iii. To monitor budgets to ensure they are consistent with each Academy's Development Plan and Trust Strategic Plan priorities.

iv. To receive and make recommendations to the Board 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.

~~v.~~ To ensure that Academy Advisory Groups receive the information they require to fulfil their finance-related remit, which is to assess the academy's annual budget to ensure it adequately covers the priorities of its Academy Development Plan.

vi. To monitor and review income and expenditure on a regular basis and ensure compliance with the overall financial plan for the Trust, and with the Academy Trust Handbook, drawing any matters of concern to the attention of the Board.

vii. To monitor and review procedures for ensuring the effective implementation and operation of financial procedures, on a regular basis, including approving and reviewing treasury & investment management policy and application, reserves policy and management, the implementation of bank account arrangements and, where appropriate to make recommendations for improvement.

viii. To review drafts and make recommendations to the Board relating to the financial statements which form part of the Annual Report of the Trust for filing in accordance with Companies Act requirements.

ix. To review the Trust's internal and external financial statements and reports to ensure sound financial management and good practice.

x. To review the financial implications of the decisions made by the Teaching Learning & Welfare Committee.

xi. To have oversight of procurement and associated value-for-money procedures and decisions.

xii. To develop, review and monitor the relevant section of the Trust's Strategic Plan and the Trust's Finance Strategy and to escalate any issues or recommendations to the Board, where necessary.

6.2 Academy Premises & Operations Management

i. To oversee and monitor Academy activities relating to the security and safety of premises and equipment.

ii. In consultation with the appropriate staff, to oversee premises related funding bids.

iii. To advise and make recommendations to the Board relating to the Estate Management Plan.

iv. To monitor Academy activities and advise and make recommendations to the Board on matters relating to capital development projects.

v. To approve, and keep under review, an Accessibility Plan, which meets the requirements of the Equality Act 2010 (and amendments).

vi. To ensure the Trust operates its premises in compliance with all relevant legislation and regulatory requirements, including the Environmental Protection Act 1990 and the Environment Act 2005.

vii. To oversee and monitor any external lettings of the Trust's premises and facilities.

6.3 Health and Safety

i. To oversee and monitor the Trust's Health and Safety policies and procedures and to receive Health & Safety Reports with a view to making recommendations to the Board.

ii. To monitor and review procedures for ensuring the effective implementation and operation of risk assessment processes on a regular basis and where appropriate to make recommendations for improvement.

iii. To ensure premises safeguarding systems are in place for effective implementation.

6.4 People

i. To agree, review and oversee the implementation of the Trust's employment policy framework, policies and external reporting requirements (in line with the Policy Approval Schedule) and to monitor the impact via Key Performance Indicators (KPIs) i.e. in relation to such matters as turnover, sickness absence, recruitment, grievances and employee satisfaction.

ii. To review and advise the Board on the Central Executive Team staffing structure, as defined in the Scheme of Delegation.

iii. To review and oversee the programmes for continuous professional development pathways for all staff and succession planning.

iv. To advise the Board on the Terms & Conditions including remuneration for the Central Executive Team, as defined in the Scheme of Delegation, in the light of affordability and related benchmarking data.

v. To advise the Board in relation to the approval of the Pay Framework in line with the Burgundy Book (conditions of service for school teachers and leaders) & Trust policies.

vi. To advise the Board in relation to the approval of the Pay Framework in line with the Green Book (conditions of service for support staff) & Trust policies.

vii. To agree a Trust Pay Policy for recommendation to the Board following appropriate consultation as required and to ensure it is applied equitably across the Trust.

viii. To agree the Performance Development Review Policy and review process and procedure in line with the policy.

ix. To keep under review arrangements for staff work/life balance, working conditions and well-being, the development and implementation of which will be for Academy Principals and, in the case of Central Trust staff, the Chief Executive.

6.5 Information Security

i. To oversee and monitor the Trust's Information Security policies and procedures including GDPR.

ii. To monitor and review procedures for ensuring the effective implementation and operation of information security control processes on a regular basis and where appropriate to make recommendations for improvement.

6.6 Audit

i. To receive and consider external auditors' reports and to recommend to the Board appropriate action in response to audit findings and good practice.

ii. Working with the Executive To determine with the external auditor the nature and scope of each forthcoming audit and to ensure that the external auditor has the fullest co-operation of staff.

iii. To satisfy itself that there are no relationships between the auditor and the Academy Trust (other than in the ordinary course of business) which could adversely affect the auditor's independence and objectivity.

iv. To review the effectiveness of the Trust and Academy internal control systems established to ensure that the aims, objectives and key performance targets of the Trust are achieved in the most economic, effective and environmentally preferable manner, and to advise the Board in establishing such systems.

v. To ensure that the Trust's internal audit provision meets, or exceeds, relevant standards and complies in all other respects with relevant guidelines and meets agreed levels of service.

vi. To consider and advise the Trust on its annual and long-term assurance programme to ensure it is aligned to the key risks of the Academy Trust.

vii. To receive and consider internal auditors' reports and to recommend to the Board appropriate action in response to audit findings and good practice.

viii. To assess the effectiveness and resources of the external auditor to provide a basis for decisions by the Trust's Members about the auditor's reappointment or dismissal or retendering and to make appropriate recommendations to the Board.

6.7 **Risk Management**

i. To advise and make recommendations to the Board on establishing and monitoring a Trust Risk Register and risk management systems and to help inform the Board about risk appetite, tolerance and strategy.

ii. To review the ratings and responses of the Trust Risk Register to inform the programme of work.

iii. To receive and consider risk management reports.

iv. To oversee insurance arrangements.

6.8 Whistleblowing and Complaints

i. To review the adequacy and security (proportionality and independence) of the Academy Trust's arrangements for its employees, contractors and external parties to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters.

6.9 **Policy and Governance**

i. To recommend, monitor and evaluate assigned statutory policies and documents.

ii. To act upon any recommendations made by other committees and to consider any other matters where requested to do so by the Board, and

iii. To report to the Board on the discharge of all the above duties.