

EXCEED ACADEMIES TRUST – BOARD OF TRUSTEES

TERMS OF REFERENCE FOR THE FINANCE, RISK AND AUDIT COMMITTEE

Overview

The Finance, Risk and Audit Committee's remit is to advise the Board and Accounting Officer (the CEO) regarding the adequacy and effectiveness of the Trust's internal controls, risk management, governance and financial systems and frameworks. The Committee also advises the Board regarding the appointment of auditors and the planned audit approach, as well as considering reports from the internal and external auditors and other bodies and ensuring that actions are taken where required. Additionally, the Committee will support the Board in fulfilling its responsibility to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.

Authority

The Finance, Risk and Audit Committee is authorised by the Trust Board to:

- Carry out any activity authorised by these terms of reference.
- Investigate any activity within its terms of reference or specifically delegated to it by the Board.
- 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..

Membership and Quorum

The Members of the Committee and its Chair shall be appointed by the Board of Trustees. Membership of the Committee will be reviewed annually alongside these terms of reference. Members shall hold office from either the date of their appointment until their resignation, or their omission from membership of the committee on subsequent consideration by the board of trustees – whichever occurs first.

There shall be no fewer than three committee members with the majority being serving Trustees. Up to two external co-opted members with relevant expertise may also be appointed but must not be employees of the Trust.

Any Committee Member may be appointed as Chair, with the exception of the Chair of the Board of Trustees who shall not be Chair of the Committee.

At least one member of the committee should have recent or relevant accountancy, or audit assurance, experience.

Only full members of the committee who have been approved by the board of trustees have the right to vote on any matters.

Any Trustee may attend a meeting of the Risk and Audit Committee, including those who are not members of the Risk and Audit Committee.

Meetings of the Risk and Audit Committee shall be quorate if two members of the committee are present. A committee member dialled in via conference/video call will be classed as in attendance and shall count towards the quorum.

Duties

The duties of the Finance, Risk and Audit Committee shall be to:

- advise the board on the effectiveness and resources of the external/internal auditors or scrutineers to provide a basis for their reappointment, dismissal, retendering, or remuneration. Considerations may include:
 - the auditor's/scrutineer's sector expertise
 - their understanding of the trust and its activities
 - whether the audit process allows issues to be raised on a timely basis at the appropriate level
 - the quality of auditor/scrutineer comments and recommendations in relation to key areas
 - where relevant the personal authority, knowledge and integrity of audit partners and their staff to interact effectively with, and robustly challenge, the trust's managers
 - the auditor's/scrutineer's use of technology
- ensure there is co-ordination between internal audit/scrutiny and external audit and any other review bodies that are relevant
- consider the reports of the auditors/scrutineers and, when appropriate, advise the Trust Board of material control issues
- 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
- ensure the Trust has appropriate internal financial controls in place and adheres to the policies and procedures as set out within the Funding Agreement, Academy Trust Handbook, Dear Accounting Officer letters and ESFA updates.
- provide minutes of all Finance, Risk and Audit Committee meetings for review at board meetings
- provide an annual summary report provided by the internal scrutineer / auditor and areas reviewed by internal scrutiny / audit covering key findings, recommendations, and conclusions
- review and approve any policies presented, on behalf of the Trustees. Any policies approved by the Committee shall be circulated to all members of the Board of Trustees

External Audit

- review the external auditor's plan each year
- review the annual report and accounts
- review the auditor's findings and actions taken by the Trust's SLT in response to those findings

Internal Scrutiny

- 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 Academy Trust Handbook
- conduct a regular review of the risk registers

- agree an annual programme of internal scrutiny / audit, which is objective and independent, covering systems, controls, transactions, and risks
- advise on the strategic processes for risk, control and governance and the governance statement
- consider the appropriateness of executive action following internal audit/internal scrutiny reviews and to advise the board on any additional or alternative steps to be taken

Finance

- monitor the income and expenditure throughout the year of all funds against the annual budget plan in monthly management accounts produced by the Chief Finance Officer
- monitor financial risk and ensure any change is reflected in the Trust Risk Register
- oversee the School Resource Management Self-Assessment tool completion and timely submission
- receive and recommend the annual financial statements to the Board of Trustees for approval
- review and approve expenditure requiring Trustee approval in line with the Financial Scheme of Delegation
- monitor the Trust's reserves and:
 - review and approve investment proposals involving standard bank savings accounts
 - review and recommend to the Board other investment proposals such as stocks and shares

Meetings of the Finance, Risk and Audit Committee

The Committee will meet as often as is necessary to fulfil its responsibilities, usually at least three times per year.

All meetings shall be convened by the Clerk to the Board of Trustees, who shall send to all of the members of the Committee written notice of the meeting and a copy of the agenda at least seven clear days in advance of the meeting.

The convening of a meeting and the proceedings conducted shall not be invalidated by reason of any individual not having received written notice of the meeting or a copy of the agenda.

The Accounting Officer and the Chief Finance Officer shall attend meetings, unless otherwise instructed by the Committee.

Representatives from the Internal or External Auditors may be asked to attend where business related to them is being discussed.

The Clerk to the Board of Trustees shall attend to take a record of the meeting, unless otherwise instructed by the Committee. Where the Clerk fails to attend a meeting, committee members can appoint any one of their number or any other person to act as Clerk for the purposes of that meeting.

Every matter to be decided upon will be determined by a majority vote – where there is an equal division of votes, the Chair will have the deciding vote.

Members will withdraw from the meeting if there is an identified or potential conflict of interest, or there is a motion to question their ability to remain impartial.

The Committee meetings will not be open to the public but minutes shall be made available. Information relating to a named person or any other matter that the committee considers confidential does not have to be made available for inspection.

Minutes and Publication

At every meeting of the Finance, Risk and Audit Committee the minutes of the last meeting shall be taken as the first agenda item after any apologies, except in cases where the committee members present decide otherwise, and, if agreed to be accurate, shall be signed as a true record.

The minutes of meetings of the Committee will be circulated to all members of the Board of Trustees.

The Clerk to the Trustees shall ensure that a copy of the agenda for every meeting of the Finance, Risk and Audit Committee and the signed minutes of every such meeting are, as soon as is reasonably practicable, made available for publication.