



Finance & Audit Committee

Terms of Reference

November 2017

ACE Schools Multi Academy Trust

Constitution

- 1.1. The ACE Schools MAT Board of Trustees has resolved to establish a Finance & Audit Committee to advise the Board on matters relating to the Trust's finance and audit arrangements, systems of internal control, risk management and to advise and aid the Board to ensure sound management of the Trust's finances and resources, including proper planning, monitoring and probity.
- 1.2. The Finance & Audit Committee is responsible to the Trust Board.
- 1.3. The Committee's Terms of Reference are agreed and adopted by the Board and can only be amended with the approval of the Board.

Membership

- 2.1 The Committee will consist of 3 Trustees who will be appointed by the Board. At least one member of the Committee should have relevant financial or audit experience. The Chair of the Trust Board cannot be a member of the Finance & Audit Committee.
- 2.2 The members of the Committee shall hold office from the date of their appointment until resignation or omission from membership on subsequent consideration by the Board. The Board to review Committee membership on an annual basis at the start of the academic year.
- 2.3 The Committee will appoint a Chair and Vice Chair.
- 2.4 The Chief Executive Officer and Executive Directors of the Trust will be in attendance but will have no voting rights.
- 2.5 Any other members of staff or external professionals will be invited to attend the relevant meeting as required.

Meetings

- 3.1 The Committee will meet once per half-term (6 times per academic year) in advance of the Trust Board Meetings.
- 3.2 The quorum shall be 2 Trustees.
- 3.3 The administration of meetings will be managed by the Clerk to the Trustees. Agenda and papers will be circulated to members of the Committee 7 days in advance of the meeting.

- 3.4 In addition to voting in person at a meeting Trustees are able to vote on matters via e-mail to the Clerk to the Trustees (ahead of the meeting) or via video / telephone conferencing during the meeting.

Authority

- 4.1 The Committee will report to the Board on any decision taken in accordance with the Scheme of Delegation.
- 4.2 The Committee is authorised to investigate any activity within its term of reference or specifically delegated to it by the Board.
- 4.3 The Committee is authorised to obtain any legal and professional advice it considers necessary, normally in consultation with the Chair of the Trust Board.

Main Duties

The main duties of the Finance & Audit Committee are as follows:

- 5.1 Fulfil its responsibilities as set out in these Terms of Reference in line with the Trust's Funding Agreement, Articles of Association, Scheme of Delegation, Academies Financial Handbook, Academies Accounts Direction and the Trust's Financial Procedures Manual.
- 5.2 Ensure sound management of the Trust's finances and resources including proper planning, monitoring, probity and value for money.
- 5.3 Advise the Board on the adequacy and effectiveness of the Trust's governance, risk management, internal control and value for money systems and frameworks.
- 5.4 Advise the Board on the appointment, re-appointment, dismissal and remuneration of the external auditor.
- 5.5 Advise the Board on the need for and then, where appropriate, the appointment, re-appointment, dismissal and remuneration of an internal auditor or other assurance provider.

Detailed Responsibilities - Finance

The Finance & Audit Committee shall consider and advise the Trust Board on the following specific matters:

- 6.1 The monthly management accounts of the Trust and its Academies and subsidiaries, including any proposed actions required to address any adverse variances from budget plan.

- 6.2 The revised forecast of estimated income and expenditure for the full year for the Trust, its Academies and subsidiaries, including any proposed actions required to address any adverse variances from budget plan.
- 6.3 The setting of the annual budget and 3 year plan for the Trust, its Academies and subsidiaries in advance of submission to the Education & Skills Funding Agency (ESFA).
- 6.4 The annual audited financial statements of the Trust.
- 6.5 Monitoring and updating of financial policies and financial regulations of the Trust, its Academies and subsidiaries.
- 6.6 To consider any other matters that can have a financial impact on the Trust, its Academies and subsidiaries.

Detailed Responsibilities - Audit

The Finance & Audit Committee shall consider and advise the Trust Board on the following specific matters:

- 7.1 Recommend to the Board the appointment or reappointment of the external auditors of the Trust.
- 7.2 Review the external auditors letter of engagement and annual planning documents and approve the planned audit approach.
- 7.3 Review all reports received from the external auditor (e.g. annual reports, management letter) and consider any issues raised and the associated management response and action plans. Reports should be referred to the Board for information or action.
- 7.4 Recommend to the Board the appointment or reappointment of the internal auditors of the Trust.
- 7.5 Review the internal auditors planned schedule of work for the year and approve the planned audit approach.
- 7.6 Review all reports received from the internal auditor (e.g. annual reports, internal control findings) and consider any issues raised and the associated management response and action plans. Reports should be referred to the Board for information or action.

Detailed Responsibilities – Risk Management

The Finance & Audit Committee shall consider and advise the Trust Board on the following specific matters:

- 8.1 Annual review of the Trust's risk management systems including arrangements for risk management, control and governance processes.
- 8.2 Review, monitoring and assurance of the Trust's Risk Register.
- 8.3 Review of the Trust's Scheme of Delegation and recommending any changes to Board for approval.
- 8.4 Annual review of all insurance arrangements.

Detailed Responsibilities – Other

The Finance & Audit Committee shall consider and advise the Trust Board on the following specific matters:

- 9.1 Review of other significant financial or related reports or submissions that impact on the Trust, its Academies and its subsidiaries and are likely to involve the Department for Education, Education & Skills Funding Agency, Plymouth City Council (and other local authorities), Companies House, HMRC or similar regulatory bodies.
- 9.2 Recommending to the Board any changes to Trust structure including the acquisition of new Academies and setting up of new trading subsidiaries. Any recommendation to include a review of risk and due diligence processes.
- 9.3 Oversight of health & safety policy, including:
 - Critical incident and business continuity planning;
 - Accident and RIDDOR reporting;
 - Statutory training;
 - Statutory compliance testing;
 - Fire risk assessments;
 - Asbestos risk assessments;
 - Premises and building conditions.

Meeting Timetable - Example

	Meeting / Half Term					
	Autumn		Spring		Summer	
	1	2	3	4	5	6
FINANCE						
Finance Reports:						
- Management Accounts	X	X	X	X	X	X
- Forecasts	X	X	X	X	X	X
Annual Financial Statements:						
- Review Progress	X					
- Approve		X				
Budget:						
- Planning / Preparation					X	
- Finalise / Sign Off						X
Ad Hoc:						
- Proposals / Reports	X	X	X	X	X	X
AUDIT						
Statutory Audit:						
- Review findings of external auditor			X			
Internal Audit:						
- Scoping work	X					
- Review findings						X
RISK						
Risk Management Systems	X					
Insurance	X					
Risk Register – Review / Update	X	X	X	X	X	X
OTHER						
Reports – As Required	X	X	X	X	X	X
Health & Safety			X	X		
POLICIES / PROCEDURES						
Review Financial Policies	X					
Review Financial Procedures Manual	X					
Review Academies Financial Handbook	X					