

BACUP AND RAWTENSTALL GRAMMAR SCHOOL

Sub-Committee of the Governing Body – Terms of Reference

Finance and Audit Committee

1. The Finance and Audit Sub-Committee (“the Sub-Committee”) is a committee established by the Governing Body
2. The Sub-committee shall comprise of at least four Governors, including the Headteacher. The School Business Manager will be invited to attend the Sub-Committee meetings.
3. The quorum for a meeting of the Sub-committee shall be three members or one third of the membership (rounded up to a whole number), whichever is greater.
4. The Sub-Committee shall annually appoint a Chair for meetings of the Sub-Committee.
5. The Governing Body shall delegate to the Sub-committee such financial functions as it sees fit, subject to any other statutory provision concerning the exercise of functions on behalf of the Governing Body.
6. The role of the Sub-Committee in terms of Financials Systems and Controls is summarised in Section 2 of the Financial Regulations. The main responsibilities include:
 - the initial review and authorisation of the annual budget;
 - the regular monitoring of actual expenditure and income against budget;
 - ensuring the annual accounts are produced in accordance with the requirements of the Companies Act 2006 and the DfE guidance issued to academies;
 - authorising the award of contracts over £5,000
 - authorising changes to the academy personnel establishment and
 - reviewing reports on the effectiveness of the financial procedures and controls.
 - Approving items not included within the budget in line with the following procedures:
 - a. Individual items or a series of connected items not exceeding £1,500 will be approved at the discretion of the Headteacher but reported quarterly to the Governing Body
 - b. As above but between £1,500 and £5,000 prior approval must be sought by the Sub-committee and reported quarterly to the Governing Body
 - c. Items exceeding £5,000 prior approval by the appropriate Sub-committee and the Governing Body.
7. The role of the Sub-Committee in terms of Audit related responsibilities is as follows:
 - advise the governing body on the adequacy and effectiveness of the Academy Trust’s systems of internal control and its arrangements for risk management, control and governance processes, and securing economy, efficiency and effectiveness (value for money);
 - review the statement on internal control and make appropriate recommendations to the governing body;
 - advise the governing body on the appointment, reappointment, dismissal and remuneration of auditors (both external auditors and internal audit);

- monitor the effectiveness of auditors,
 - ensure that additional services undertaken by the auditors is compatible with the audit independence and objectivity;
 - agree the work programme of internal audit including the checking of financial controls, systems, transactions and risks;
 - consider the reports of the auditors and, when appropriate, advise the governing body of material controls issues;
 - monitor the implementation of agreed audit recommendations;
 - ensure that all allegations of fraud and irregularity are appropriately investigated, and controls weaknesses addressed;
 - recommend the annual financial statements to the governing body for approval
 - review the committee's membership and effectiveness on an annual basis to ensure that it has appropriate skills and relevant experience.
8. The Finance and Audit Sub-Committee will review the Risk Register at each meeting.
9. The Finance and Audit Sub-Committee will meet at least once a term. The timing of such meetings is to be agreed in line with the EFA reporting timetable.
10. The Governing Body shall annually review the constitution, membership and terms of reference for the Sub-Committee.
11. In the academic year 2020/2021, the Finance and Audit Sub-committee shall comprise:

Mr. P. Terry (Chairman)
Mr D Cain
Mrs.A.Wardle
Headmaster
School Business Manager