



Omega Multi-Academy Trust
Finance, Audit and Risk Committee
Terms of Reference

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Review Dates and Changes

DATE	CHANGES
June 2022	Section 3 -This policy updates the previous document and includes a statement which states that membership is Trustees only

Signed by:



CEO

05/07/2022

Date:



Chair of Trustees

05/07/2022

Date:

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Vision and Values

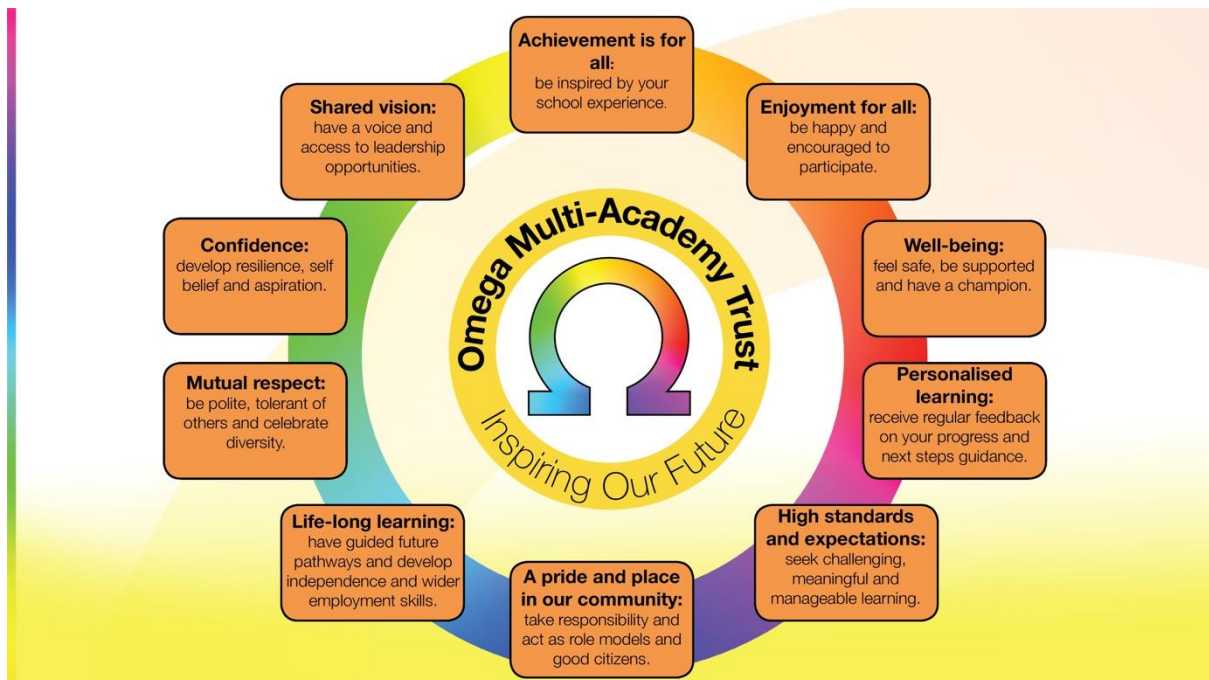
Statement of Intent

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Omega Multi-Academy Trust

Mission Statement

The Omega learning community provides excellent teaching and learning with passion and purpose, based on core values, understood by all. Working in a warm and welcoming, yet purposeful environment, our mission is for everyone to be happy and inspired by their school experience. We empower students to harness their own creativity, to raise their aspirations and to achieve their potential. Working together, they gain confidence and pride to take their place in our community.



Finance, Audit and Risk Committee

Terms of Reference

1. Introduction & Purpose

- 1.1. The purpose of the Finance, Audit and Risk Committee is to support the Board of Trustees in fulfilling its corporate governance and oversight responsibilities by providing advice that is independent of management on all items relating the Trust's finance, audit and risk arrangements and systems of internal control.
- 1.2. The Committee will review and challenge, where necessary, the actions and judgement of management in relation to the Trust's financial statements and shall ensure compliance with charity and company law and other legal requirements as necessary.
- 1.3. The Committee will produce an annual report of the Committee's conclusions to advise the Board of Trustees and Members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration
- 1.4. These Terms of Reference are in place to enable the Trust Board to deliver its responsibility and accountabilities highlighted within the Articles of Association, Academy Trust Handbook and the Trust Scheme of Delegation. In the event of uncertainty regarding these terms of reference, the Scheme of Delegation shall take priority. In the event of further uncertainty, the Articles shall take priority.

2. **Scope of the Committee's duties and responsibilities** The Committee is authorised to:

- a) investigate any activity within its Terms of Reference;
- b) seek any information it reasonably requires for the proper performance of its role;
- c) in compliance with all procurement and value for money requirements, obtain such external legal or other independent professional advice as is reasonably necessary for the performance of their role, the cost of which shall be borne by the Trust;
- d) ensure that all allegations of fraud, including academic fraud, and any significant losses or other irregularities are properly investigated and, where appropriate, that the internal auditors, external auditors and, where required, the Education & Skills Funding Agency (ESFA) are informed.

2.1. In respect of financial policy, the Committee is authorised to:

- a) in consultation with the CEO (Chief Executive Officer) and CFOO (Chief Financial and Operating Officer), recommend to the Board for approval the annual budget and three-year financial plan;
- b) ensure that the Trust operates and complies within the requirements of the Academy Trust Handbook, Trust Scheme of Delegation and Financial Regulations and Procedures;
- c) review, adopt and monitor the Financial Regulations and Procedures and other finance related policies for the Board of Trustees;
- d) make recommendations to the Board of Trustees where appropriate;
- e) inform the Trust Board of any changes in legislation and/or policy which may affect the day to day running of the Trust and its Schools.

2.2. In relation to financial decision-making & planning the Committee is authorised to:

- a) ensure the establishment of a three-year plan taking into account the agreed priorities of the Trust's Development Plans by recommendation to the Board for approval;
- b) approve a detailed annual budget (revenue and capital expenditure), which incorporates the agreed priorities of the Trust's strategic plans;
- c) authorise all contracts and expenditure between the limits set by the Scheme of Delegation contained within the Trust's Financial Regulations and Procedures;
- d) recommend a consolidated budget and central top slice charges to schools to the full Board on an annual basis;
- e) To ensure the Trust has suitable arrangements in place to hold and maintain a fixed asset register.

2.3. In relation to financial monitoring the Committee is authorised to:

- a) monitor the income and expenditure via the monthly management accounts against the annual budget produced by the Chief Financial and Operating Officer (or equivalent) throughout the year against the annual budget plan;
- b) monitor monthly capital expenditure against capital expenditure plans;
- c) report to the Board any significant variances in the performance of the academy against the annual budget plan;
- d) monitor and report on specific grant funding allocations in line with associated guidance;
- e) monitor the Trust's cash flow position and ensure effective treasury management;
- f) monitor financial risk and regularly review the Trust Risk Register to ensure that it is fit for purpose;
- g) To oversee the School Resource Management (SRMA) self-assessment tool completion and timely submission.
- h) review performance against agreed key financial performance indicators on a regular basis e.g. cash days in hand, % age of reserves against total income
- i) receive and recommend the annual financial statements to the Board of Trustees for approval;
- j) ensure that the Trust prepares and submits all its key financial returns by their due deadlines;
- k) ensure that the conditions of the Trust's Funding Agreement are met, including compliance with the Academy Trust Handbook.

2.4. In relation to audit activities the Committee is authorised to:

- a) advise the Board of Trustees and Members in relation to the appointment of the internal and external audit service, the terms of such appointments, the scope of work to be undertaken by them and the associated fee; monitor their performance in accordance with agreed criteria; and make recommendations to the Members in respect of reappointments, resignations and dismissals;
- b) review the external auditor's timetable and plan each year;
- c) receive reports and review the external auditor's findings and actions taken by Trust leadership in response to those findings;
- d) act as a point of contact for internal auditors
- e) agree the scope for internal audit each year; keep under review the Trust's annual internal audit plan and discuss with the internal auditors any significant findings of internal audit investigations and management responses;
- f) directing the Trust's programme of internal audit and scrutiny and reporting to the board on the adequacy of the Trust's financial controls and other risks
- g) ensure that risks are being addressed appropriately through internal scrutiny and review actions taken by Trust leadership actions against any recommendations;
- h) require any member of the Trust's staff and the internal and external auditors, once appointed, to cooperate with its reasonable requests for information and assistance;
- i) ensure the independence in internal audit by establishing and maintaining appropriate reporting lines whereby internal audit report directly to the Committee;

- j) promote co-ordination between internal and external auditors;
- k) consider and report to the Board of Trustees on internal audit assignment reports, annual reports and control issues included in the management letters of the external auditors, and management's responses to those;
- l) the committee will consider the external auditors report and recommendations and address any problems or concerns arising from the audits, including a review of the management letter incorporating management's responses, as well as any other matters the external auditors wish to raise;
- m) monitor, within an agreed timescale, the implementation of audit-based recommendations from whatever source;
- n) consider and advise the Board of Trustees on any relevant audit reports and audit guidance.

2.5. In relation to internal control and risk management the Committee is authorised to:

- a) advise the Board of Trustees on the adequacy and effectiveness of the Trust's systems of internal control and its risk management and governance processes in ensuring that satisfactory arrangements are in place to promote economy, efficiency and effectiveness (value for money);
- b) ensure the Trust's Risk Register includes contingency and business continuity planning;
- c) ensure that the risk register covers the full operations and activities of the trust, not only financial risks
- d) review the adequacy and robustness of the Trust's risk registers, processes and procedures for the identification, assessment, evaluation, management and reporting of risks;
- e) report periodically to the Board of Trustees on the effectiveness of the Trust's risk management, internal controls and governance processes, and any significant matters arising from the work of the internal and external auditors;
- f) assist the Board as required in relation to the production of the Trust's annual report.

2.6. In relation to health, safety and statutory compliance activities the Committee is authorised to:

- a) examine internal and external health and safety reports and audits, and discuss / oversee / monitor areas of improvement;
- b) review health and safety arrangements, policy and procedure on a continuous basis and oversee implementation of revisions where necessary;
- c) confirm compliance with statutory policies and procedures;
- d) monitor and review health and safety training and communication;
- e) review risk assessment procedures and documentation
- f) deal with any health and safety problems brought to them by the CEO, CFOO, staff or parents, through their termly meetings or any emergency meetings, which may be called due to unforeseen circumstances;
- g) ensure that the Trust Health and Safety Policy is brought to the attention of all staff and is implemented in schools.
- h) ensure that a "site-specific" health and safety policy is in place;
- i) ensure that all members of staff receive appropriate training;
- j) ensure that adequate insurance provision is in place;
- k) ensure that the Trust is 'GDPR' compliant;
- l) be informed of any existing or potential litigation and make decisions accordingly;
- m) ensure adequate consultation takes place between managers and employees to allow everyone to contribute to appropriate and adequate safe working;
- n) ensure that insurance arrangements are in place.

3. **Constitution and Membership**

Membership: Trustees only

Quorum: At least 3 trustees including the Chair

In attendance (agreed in advance by the Chair): CEO, CFOO, Trust Directors, Clerk. As invited Internal Auditor and External Auditor

Trust employees will NOT be members of this committee.

The Chair of the Board of Trustees will NOT chair this committee.

Election of Chair

The Committee shall at its first meeting of each academic year elect a member to act as Chair.

4. Frequency of Meetings and Administration

- 4.1. The Committee will meet at least once per term and be prepared to meet up to 6 times a year; otherwise as required unless its core function is fulfilled by the full Board;
- 4.2. The Committee will receive reports from the Trust in sufficient detail to enable it to undertake its strategic responsibilities for planning, monitoring and evaluation.
- 4.3. **The Committee is authorised by the Trust Board to:**
 - carry on any activity authorised by these terms of reference;
 - seek any appropriate information that it requires from any officer of the Trust and all officers shall be directed to co-operate with any request made;
 - carry out financial duties highlighted in the scheme of delegation that are allocated to the Board of Trustees providing recommendations where appropriate.

4.4. Proceedings of Committee Meetings

- a) every matter to be decided at a meeting of the Committee must be determined by a majority vote of the members present and voting on the matter;
- b) where there is an equal division of votes the Chair shall have a casting vote;
- c) a register of attendance shall be kept for each Committee meeting and published annually on the Trust's website in accordance with the Academy Trust Handbook;
- d) Approval of policies and documents may, at times, be required outside of Committee meetings. In such circumstances Trustee can seek approval via email through the Clerk.