

# Trust Finance, Audit and Risk Committee

## Terms of Reference

### Annual Review

Reviewed By	Approved By	Approved	Version	Review Date
Audit and Risk Committee	P Oldfield	8 <sup>th</sup> July 2020	V2.0	July 2021
Martyn Jones	Martyn Jones	14 <sup>th</sup> December 2020	V2.1	July 2021
Trust Board	Trust Board	10 <sup>th</sup> March 2021	V2.2	July 2021
Trust Board	Trust Board	14 <sup>th</sup> July 2021	V3.0	July 2022
Trust Board	Trust Board	8 <sup>th</sup> December 2021	V3.1	July 2022
Trust Board	Trust Board	13 <sup>th</sup> July 2022	V4.0	July 2023
Trust Board	Trust Board	12 <sup>th</sup> July 2023	V5.0	July 2024
Trust Board	Trust Board	10 <sup>th</sup> July 2024	V6.0	July 2025

### Version Control

Number	Date	Detail
2.0	July 2020	New Format
2.1	Dec 2020	Adjustment to Scope of board – policies
2.2	March 2021	Adjustment to appendix A; rewording of policies titles to comply with updated policy lists.

3.0	July 2021	<p>Annual review</p> <ul style="list-style-type: none"> <li>- Membership section: link governance added</li> <li>- Relationship with the Board of Trustees and other committees: wording additional for local governing body assurance visits</li> <li>- Appendix A, correlating with adjustments to scheme of delegation.</li> </ul>
3.1	December 2021	Adjustment to appendix A
4.0	July 2022	<p>Annual review:</p> <ul style="list-style-type: none"> <li>• Update to strategic functions to reflect code of conduct</li> <li>• Adjustment to Scope of board – policies</li> </ul>
5.0	July 2023	<p>Annual review:</p> <ul style="list-style-type: none"> <li>• Merge of Finance Committee and Finance, Audit and Risk Committee terms of reference.</li> <li>• Addition of virtual governance for meetings</li> <li>• Addition of assurance visits section</li> <li>• Appendix A, correlating with adjustments to scheme of delegation.</li> </ul>
6.0	July 2024	<p>Annual review</p> <ul style="list-style-type: none"> <li>• Update to introduction and the purpose of governance to comply with Academy Trust Governance Guide</li> <li>• Updates through to implement adjustments to governance structure and policy ratification</li> <li>• Appendix A, correlating with adjustments to scheme of delegation.</li> <li>• Inclusion of appendix B – Policy delegation to the Finance, Audit and Risk Committee</li> </ul>



## Introduction

*The Academy Trust Governance Guide issued by the Department for Education states:*

*In trusts, the purpose of governance is to provide:*

- *strategic leadership*
- *accountability and assurance*
- *strategic engagement*

*The board has collective accountability and strategic responsibility for the trust. It has a focus on ensuring the trust delivers an excellent education to pupils while maintaining effective financial management and must ensure compliance with:*

- *the trust's charitable objects*
- *regulatory, contractual and statutory requirements*
- *their funding agreement*

*The board also has:*

- *strategic and statutory responsibility for safeguarding and special educational needs and disabilities (SEND) arrangements within (and across) the academy trust ensuring the promotion of pupil welfare and for keeping their estates safe and well-maintained*
- *a role in making sure that it delivers its commitment to other schools and academies, however it is done*

The purpose of this scrutiny Committee is to ensure that the detailed work of the all of these core functions is carried out with due regard for principles of public life and associated regulations and guidance. It does this in an independent capacity and must have the authority to act if internal control systems are not sufficiently robust or irregular practices are evidenced or reported.

Further guidance on this area can also be found can be found in the [Academy Trust Governance Guide](#) issued by the DfE.

## Membership

Members of this scrutiny committee will be appointed by the Board of Trustees and should comprise of as a minimum:

- 3 Trustees (Chair to be elected)
- Independent Members as co-opted (no minimum requirement)

Attendees of this Committee would normally be as a minimum:

- Accounting Officer
- Chief Financial Officer

The Committee may make recommendations to the Board of Trustees for co-option of non-Trustee members.

The Finance, Audit and Risk Committee must allocate, from within their membership, link Trustee roles as guided by the link governance structure for the Mast Academy Trust, specifically for:

- Local Governance Committees

The scrutiny committee may invite colleagues to be in attendance at meetings where they will add benefit/contribution to discussions and the agenda.

The Accounting Officer and Chief Financial Officer should be asked to leave the meeting for proportions of the agenda where independent audit feedback review needs to be considered by non-executive members.

The Chair of Trustees can be a member of the committee but must not be the chair of the Audit, Risk and Finance Committee.

## Quorum

The quorum for a meeting of the Finance, Audit and Risk Committee shall be 2 trustees.

## Meetings

The scrutiny committee will meet at least once a term and otherwise as required.

The scrutiny committee will receive reports from the trust and its schools in sufficient detail to enable it to undertake its strategic responsibilities for scrutiny, evaluation and implementing corrective action. Whenever possible and with due regard for any sensitive information discussed by the committee, reports will be shared in common across the schools.

Meetings will be minuted by a clerk and proposals will be put to the main Board of Trustees for approval so that trustees have the necessary oversight to ensure effective governance.

Meetings can be held in person, virtually (Teams) or a hybrid, this is at the discretion of the chair and in consultation with the CEO, Clerk and Trustees. Due consideration on conducting governance virtually must be given to the [NGA: A guide to virtual governance](#).

## Terms of Reference

The Finance, Audit and Risk Committee will provide support and challenge to the leadership of the Executive Officers in the trust and to hold them to account in relation to:

- the aspects of internal control systems, including: internal audit programmes of work, internal control systems, risk management and risk registers, overseeing implementation of new controls in response to control weaknesses identified..
- all aspects of financial management, including:
  - financial oversight
  - financial review
  - planning and reporting
  - management of public money
  - delivering good value for money.

This will have a particular focus on the requirements of The Mast Academy Trust with regard to its agreed scheme of delegation and the requirements of the [Academy Trust Handbook](#).

These Terms of Reference aim:

- To support the Board of Trustees in fulfilling statutory duties.
- To support the strategic role of the trustee body.
- To provide a framework for effective self-evaluation, reviewing, support and challenge by linking the work of committees to key priorities in the Trust's strategic plan.

## Key elements of the Terms of Reference

The Finance, Audit and Risk Committee shall have delegated authority to:

- investigate any activity within its Terms of Reference;
- seek any information it reasonably requires for the proper performance of its role;
- 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; and
- require any colleague and the internal and external auditors, once appointed, to cooperate with its reasonable requests for information and assistance.

## Assurance Visits

Trustees will carry out regular trust and school visits in order to meet the statutory obligation to monitor the school's effectiveness. (Refer to the link governance reference in the membership section of this document)

When planning a schedule of visits, board should be aware that, whilst some areas of focus lend themselves to virtual visits, this does not allow governors and trustees to readily experience school life, culture and ethos first-hand – it is not possible for the board to carry out effective monitoring without regular in-person visits to the school site. This does not mean that every governor and trustee must visit regularly, rather the governing board as a whole should have a termly programme of in-person visits in place.

Refer to the Trustee\_school\_visits [addendum](#) for more information.

### Scope of Committee – Scheme of Delegation

The Finance, Audit and Risk Committee refers to scheme of delegation for the terms of reference relating to their function and activities:

- Building and Maintenance
- Health and Safety
- Information Management.
- Finance
- Governance

Refer to Appendix A for specific details.

The trustees may choose, from time to time and within the boundaries of the ESFA guidance and scheme of financial delegation, to provide focus on particular elements of these Terms of Reference or ask for additional work to be carried out in order to ensure financial oversight and are governed most effectively.

### Scope of Committee – Policies

The Finance, Audit and Risk Committee have delegated responsibility to review and provide approval and ratification for the policies outlined in Appendix B, which will be noted at the Trust Board:

The Finance, Audit and Risk Committee will also receive confirmation for the ratification of the policies outlined in appendix B that have been delegated to senior leaders in the trust or individual trustees:

## Relationship with other Committees

In the case of the Finance, Audit and Risk Committee it should be ensured that the independence of this committee is not prejudiced.. Recommendations from this committee are presented once a term to the Board of Trustees.

The Finance, Audit and Risk Committee must receive assurance reports from the Local Governing Committees which relate to their area for governance.

## Terms of Reference review

These Terms of Reference should be reviewed on an annual basis as a minimum. Executive Officers will be expected to keep up to date with statutory and other changes on an ongoing basis in order to ensure trustees are kept well informed of such changes and their impact on these Terms of Reference.

## APPENDIX A: Scheme of Delegation for the Audit, Finance and Risk Committee.

The roles of the key stakeholders and their responsibilities to the Finance, Audit and Risk Committee as identified by the Scheme of Delegation.

<b>CEO</b>
Accountable
Finance
Act as Accounting Officer for the Trust.
Consulted
Finance
Receive reports from the Finance Director.
Responsible
Finance
Approve spend/order business case for spend/orders greater than £20k at a primary school and £40k at a Middle School and up to £75k for the Trust overall
Monitor statutory compliance and the financial performance of the schools.
<b>CEO / CFO</b>
Responsible
Finance
Approve CIF contributions greater than £10k or 20% (whichever is lower) up to £20K at a primary school and £40k at a middle school
Must obtain 3 quotes, and demonstrate evidence on best value for money, for all orders greater than £5k and less than £40k for procurement by the Trust collaborative team
<b>CEO/CFO</b>
Responsible
Finance
Must obtain a quote or price confirmation in advance of spend/orders for items between £1k and £5k by the Trust collaborative team
Obtaining a quote in advance is best practice for spend/orders less than £1k by the Trust collaborative team
<b>CFO</b>
Responsible
Building and Maintenance
Develop the overall strategic plan for capital expenditure taking into account the individual schools' strategic plans.
Health and Safety
Monitor and review the implementation of the group's risk management framework.
<b>DPO</b>
Consulted
Information Management
By the headteacher on all freedom of information and subject access requests
Responsible
Information Management
Ensure compliance with all data protection legislation and good practice across the schools.
Ensure registration with the Information Commissioner Officer (ICO)
Support the schools with the effective safe storage of data.
<b>Executive Team</b>
Accountable
Information Management
Ensuring the website and GIAS is compliant and up to date.
Responsible
Building and Maintenance
Develop the wider estates policy in line with the Trust's strategy.
Monitor statutory compliance with regulations relating to premises and accommodation on behalf of the Board.
Provide the TB and schools with professional support and advice relating to the management of buildings and the estate.
Health and Safety
Commission professional health and safety audits with follow-up support and guidance at a local level.



Monitor statutory compliance with respect to health and safety on behalf of the Trust.
Monitor the implementation of the health and safety guidance and policies.
Provide health and safety and risk management guidance and training for all schools including LGCs.
<b>Information Management</b>
Any financial demands relating to cyber security to be informed to the Audit Committee and Board of Trustees
Ensure Information technology has the appropriate cyber security protection
Ensure systems comply with Information management legislation with relation to students, parents/carers, staff and the wider community.
Ensure the effective implementation of the data protection policies and procedures in the school.
Ensuring cyber security protection and ransomware protection is in place across the Trust
Maintain accurate and safe staff records for the Executive Team.
<b>Finance</b>
Acts on behalf of the Trust to enable them to discharge their duties in relation to statutory compliance and the financial performance of schools.
Consolidate the capital plan
Ensure the entry on the Register of Data Controllers is up to date and accurate.
Full tender process for spend/orders greater than £40k and less than the public contract regulations limit (subject to relevant approval limits)
Obtain a quote or price confirmation in advance of orders for items between £1k and £5k for procurement in the Trust
Through the finance department; provide professional services for accounting, financial planning, and financial systems across the whole Trust.
Together with the Headteacher; develop capital expenditure priorities against the schools' strategic plan for submission to the executive team and board.
<b>Headteacher</b>
<b>Responsible</b>
<b>Information Management</b>
Any financial demands relating to cyber security to be informed to the Executive Team
Ensuring website and GIAS is compliant and up to date.
<b>Finance</b>
Approve CIF contributions up to £10K or 20% of surplus budget (whichever is lower)
Ensure the school cooperates with internal and external audit and implements action plans swiftly.
Must obtain a quote or price confirmation in advance of spend/orders for items between £1k and £5k
Obtaining a quote in advance is best practice for spend/orders less than £1k
Together with the finance department; prepare the budget for approval by the Executive Team and is responsible for controlling costs and for ensuring the budget commitments are met.
Approve spend/order business case for spend/orders up to £20k at a primary school and £40k at a Middle School
Must obtain 3 quotes, and demonstrate evidence on best value for money, for spend/orders greater than £5k and less than £40k (subject to approval limits of £40k for a Middle School and £20k for a Primary School)
<b>Trustees</b>
<b>Accountable</b>
<b>Finance</b>
Annually appoint auditors and ensure robust internal and external audit processes
Develop the overall strategic vision for the finances of the Trust as a whole and of the schools.
Formally approve the overall budget and delegates budgets to individual schools in the summer term; advises the Board with respect to financial priorities in light of strategic plan.
Is legally accountable for the Trust's assets and accounts.
Set the financial parameters within which the school budgets are created.
<b>Informed</b>
<b>Information Management</b>
By the headteacher on all freedom of information and subject access requests
The website and GIAS is compliant and up to date.
<b>Finance</b>
Receive summary management accounts from the Finance team in order to ensure the Board is fully aware of the Trust's and individual school's financial performance.
<b>Responsible</b>
<b>Health and Safety</b>
Develops and monitors the group's H&S risk management framework.
<b>Information Management</b>
Any financial demands relating to cyber security to be referred to the ESFA
<b>Finance</b>
Approve spend/order business case for orders between £75K and the Public Contracts Regulations limits

Develop the overall strategic plan for capital expenditure taking into account the individual school strategic plans.
Review and recommend capital plan
Approve CIF contributions greater than £20k at a primary school and £40k at a middle school

## APPENDIX B: Policy delegation to the Audit, Finance and Risk Committee

The Finance, Audit and Risk Committee have delegated responsibility to review and provide approval and ratification for the below policies, which will be noted at the Trust Board.

	Statutory	Author	Delegated approval to	Informed to
Charging and Remissions Policy	Yes	CFO	Finance, Audit & Risk Committee	Trust Board
Data Protection Policy	Yes	CFO	Finance, Audit & Risk Committee	Trust Board
Fixed Asset Register	Yes	CFO	Finance, Audit & Risk Committee	Trust Board
Freedom of Information Policy	Yes	CFO	Finance, Audit & Risk Committee	Trust Board
Health and Safety Policy (Master)	Yes	Head of Estates	Finance, Audit & Risk Committee	Trust Board
Investment Policy	Yes	CFO	Finance, Audit & Risk Committee	Trust Board
Privacy Notices	Yes	CFO	Finance, Audit & Risk Committee	Trust Board
Register of Business interest	Yes	Governance Professional	Finance, Audit & Risk Committee	Trust Board
Whistleblowing Policy	Yes	CFO	Finance, Audit & Risk Committee	Trust Board
LGPS Discretions Policy	No	CFO	Finance, Audit & Risk Committee	Trust Board
Anti Fraud and Corruption	No	CFO	Finance, Audit & Risk Committee	Trust Board
Bad Debt/Write Off Policy	No	CFO	Finance, Audit & Risk Committee	Trust Board
Capital & Revenue Reserves Policy	No	CFO	Finance, Audit & Risk Committee	Trust Board
Financial Regulations Policy	No	CFO	Finance, Audit & Risk Committee	Trust Board
Procurement Policy	No	CFO	Finance, Audit & Risk Committee	Trust Board

The Finance, Audit and Risk Committee will also receive confirmation for the ratification of the below policies that have been delegated to senior leaders in the trust or individual trustees.

	Statutory	Author	Delegated approval to	Informed to
Premises Management documents	Yes	Head of Estates	CFO	Finance, Audit & Risk Committee
CCTV & Surveillance Policy	No	Head of Estates	CFO	Finance, Audit & Risk Committee
Minibus Policy	No	Head of Estates	CFO	Finance, Audit & Risk Committee
Business Continuity and Disaster Recovery Policy	No	Headteacher	CFO	Finance, Audit & Risk Committee
Educational Visits/Trips Policy	No	Head of Estates	CEO	Finance, Audit & Risk Committee
Expenses Policy	No	Financial Controller	CFO	Finance, Audit & Risk Committee
ICT and internet acceptable usage policy	No	ICT Manager	CFO	Finance, Audit & Risk Committee
Information Security Guidance for staff	No	ICT Manager	CFO	Finance, Audit & Risk Committee
Lettings policy	No	Head of Estates	CFO	Finance, Audit & Risk Committee
Media Communications Policy	No	Executive Lead	CEO	Finance, Audit & Risk Committee