

**Specialist Learning Trust
Finance and Audit Committee
Terms of Reference**

1. Membership

1.1 The committee shall:

- consist of at least three Trustees. In addition externally co-opted members may be appointed;
- have an appropriate mix of skills and experience to allow it to discharge its duties effectively. Collectively, members of the committee should have recent, relevant experience in risk management, finance, audit and assurance.

1.2 Members of the committee shall be appointed annually by the Board of Trustees at the first meeting in the autumn term.

1.3 The Chair of the Finance and Audit Committee shall be appointed, or reappointed, annually by the Board of Trustees. Co-opted members are ineligible for appointment as Chair.

1.4 A co-opted external member shall be appointed for a term not exceeding four years, following which they will be eligible for re-appointment.

1.5 Staff members of the Trust may be members of the committee but should not participate as members when audit matters are discussed; they may remain in attendance to provide information and participate in discussions.

2. Meetings and Quorum

2.1 The committee shall meet six times (half termly) each academic/financial year to consider matters arising from its terms of reference, or matters placed on the agenda at the request of the Board of Trustees or of the Chair or any member of the committee.

2.2 The Accounting Officer and Chief Financial Officer shall normally be in attendance.

2.3 Senior staff may also be invited to attend Finance and Audit Committee meetings, particularly where their area of responsibility is under discussion.

2.4 The external and internal auditors shall be invited to attend meetings as appropriate, and be given the opportunity to raise any issues they wish to discuss in the absence of management.

2.5 The external or internal auditors may request a meeting of the committee, and meet with the committee without management being present, if they consider necessary.

2.6 The quorum for meetings shall be any three members, at least two of which should be Trustees.

2.7 All meetings shall be conducted to an agenda approved by the Chair.

- 2.8 The agenda of each meeting shall be prepared by the Clerk to the committee in consultation with the Chair of the Committee and the Accounting Officer, and circulated together with all relevant agenda papers to all members of the committee, normally at least seven days before each meeting.
- 2.9 Where matters of a sensitive or confidential nature are to be discussed at a meeting the Clerk to the committee, in consultation with the Chair, shall reserve these matters to a confidential agenda. Details and papers of such items shall not be circulated, unless the circumstances which caused them to be considered sensitive or confidential no longer pertain.
- 2.10 The minutes of each meeting of the Finance and Audit Committee will be presented to the Chair of the Committee within two weeks of the meeting, prior to circulation to other Committee members and the next ordinary meeting of the Board.

3. Financial Responsibilities

- 3.1 To consider and advise the Board of Trustees on all aspects of the Trust's finances, financial policies, financial regulations, controls and strategy in accordance with the Articles of Association, Academies Financial Handbook and Funding Agreement.
- 3.2 To monitor and review procedures for ensuring the effective implementation and operation of financial procedures including the financial scheme of delegation, bank mandate and separation of duties and where appropriate make recommendations for improvement.
- 3.3 To consider and advise the Board of Trustees on the annual estimates of income and expenditure, and the budget proposed by the academy school.
- 3.4 To receive and consider information on the financial performance of the academy school at least three times a year to ensure ongoing viability.
- 3.5 Ensuring satisfactory arrangements are in place to promote the economical, efficient and effective management of all the academy's resources to achieve best value.
- 3.6 To determine on behalf of the Board of Trustees appropriate financial and procurement policies to be adopted by the Trust and its school.
- 3.7 To review school and Trust budgets in year for any schools seeking to join the Trust to recommend for approval by the board for submission to the Education and Skills Funding Agency (ESFA).
- 3.8 To review financial due diligence information for new schools seeking to join the Trust to assist the work of the Board.
- 3.9 To consider and advise the Board of Trustees on the performance of bankers, insurers and other contracted service providers at the point of consideration of contract changes.
- 3.10 To monitor and review expenditure on a regular basis and ensure compliance with the overall financial plan for the academy, and in line with the Academies Financial Handbook, drawing any matters of concern to the attention of the Board.

- 3.11 To co-ordinate the preparation of the Trustees Report to form part of the annual report of the governing body in accordance with the Year End Accounts Direction for filing in accordance with the Companies Act and Charity Commission requirements.
- 3.12 To recommend the Trust's annual report, financial statements and external auditor's management letter to the Board of Trustees for approval.
- 3.13 To ensure that all financial documents and information required to be published on the school website are up to date and available in appropriate formats.
- 3.14 To ensure that the academy completes all financial returns required by the ESFA in accordance with published guidance and deadlines.

4. Audit and Risk Management Responsibilities

- 4.1 To consider and advise the Board on the adequacy and effectiveness of the Trust's audit arrangements, framework of governance, risk management and control and processes for the effective and efficient use of resources, and the safeguarding of its assets.
- 4.2 To advise the Board on the appointment, reappointment, dismissal and remuneration of the external auditors and internal auditors and establish that all such assurance providers adhere to relevant professional standards.
- 4.3 To consider and advise the Board on the internal audit strategy and annual audit plans. The outcome of this work should inform the governance statement that accompanies the Trust's annual accounts and, so far as possible, provide assurance to external auditors.
- 4.4 To receive the termly internal audit reports and external audit annual reports and report to the Board on control issues included in the reports and the measures recommended addressing such issues.
- 4.5 To oversee the Trust's policies on fraud and irregularity and whistleblowing, and to ensure the proper investigation of all allegations and instances of fraud, theft or irregularity in accordance with the Academies Financial Handbook.
- 4.6 Recognise and manage present and future risks, including contingency and business continuity planning, to ensure the academy trust's continued and effective operation. In this respect the Committee will oversee the compilation and maintenance of a risk register and contingency and business continuity plan.
- 4.7 The Committee will prepare an annual report for the Board covering the financial year. It should detail any significant events up to the date of preparation of the report and include the committee's opinion on the adequacy and effectiveness of the Trust's arrangements for:
 - Risk management, control and governance
 - Economy efficiency and effectiveness.

Approved at Board Meeting 18th September 2019