

Central England Academy Trust



Finance, Audit and Risk Committee: Terms of Reference

Date agreed:

12th February 2025

Reviewed annually

Remit and Structure

The Finance, Audit and Risk Committee shall be responsible for ensuring Trust's finances and resources are managed effectively, enabling the Trust to deliver against its aims and objectives. The key areas overseen by the Committee are:

- Financial operations of the Trust
- Reviewing and Approving the Trust's risk register and risk management strategies
- Audit and internal controls

Membership of the Committee will be a minimum of four Trustees. The Chair must be a Trustee, and at least one committee member must have appropriate financial skills and experience. The Accounting Officer and Chief Finance Officer will attend all meetings to provide information and participate in discussions, and other Members of the Trust's Executive Team will attend as appropriate.

These terms of reference may only be amended by the Board of Trustees.

Quorum

The quorum for a meeting of the Finance, Audit and Risk Committee, and any vote on any matter at such a meeting, shall be a minimum of 3 Trustees.

Frequency of Meetings and Functions

The Finance, Audit and Risk Committee will meet at least once every term.

The committee will monitor, evaluate and report on:

Finance

1. review an annual budget, ensuring resources are allocated in line with the trust's strategic priorities and curriculum plans
2. present the annual balanced budget to the trust board for approval
3. review and approve a realistic three-year financial plan, taking into account the trust's vision, known risks and opportunities
4. receive the trust's management accounts in order to monitor the trust's cash position and income and expenditure against the approved budget
5. review pupil number estimates (that underpin revenue projections) termly
6. report back to each meeting of the trust board, alerting them to potential problems and significant variations to the approved budget at the earliest opportunity
7. ensure that the trust board's approach to pay and benefits is transparent, proportionate and justifiable
8. develop a framework for the pay of the senior executive leader and the leadership team
9. comply with statutory requirements to publish trust staff rates of pay and benefits.
10. ensure that sufficient funds are allocated for staff pay increments
11. review and approve the trust's financial scheme of delegation
12. review and approve any adjustments to the trust's approved budget
13. approve expenditure and virements of sums over £50,000 – sums below this amount are delegated to the trust's executive leadership team as outlined in the trust's scheme of financial delegation
14. undertake detailed scrutiny and recommend approval of the school resource management self-assessment checklist annually
15. ensure that the trust's financial procedures are complied with
16. review and act upon any issues identified by benchmarking against similar trusts, internal or external scrutiny
17. ensure that the trust follows basic procurement rules and achieves best value for money when acquiring goods and services
18. To review the Trust's arrangements in respect of whistleblowing and anti-fraud and corruption and make recommendations as necessary.
19. To ensure that all allegations of fraud and irregularity are properly followed up and control weaknesses addressed, including being notified of all cases.
20. review, adopt and monitor all policies delegated by the board, to include: Reserves Policy, Charging and Remissions Policy and Governor Allowances and Expenses Policy, Whistleblowing and Anti-Bribery

Audit and risk

21. oversee and approve the trust's programme of internal scrutiny
22. support development and review of the trust's risk management policy, setting out the framework the trust has adopted for risk management
23. ensure that risks are being addressed appropriately through internal scrutiny
24. evaluate the adequacy of the trust's internal control framework, including financial and non-financial controls and management of risks and report this to the trust board
25. assess whether procedures are designed effectively and efficiently, and check whether agreed procedures have been followed
26. review the annual report and accounts
27. review the auditor's findings and actions taken by the trust's managers in response to those findings
28. review findings from other assurance activities by third parties including ESFA financial management and governance reviews, funding audits and investigations

29. assess the effectiveness and resources of the external auditor – refer to section 4.17 of ATH
30. produce an annual report of the committee's conclusions on the above assessment to advise the board of trustees and members, including recommendations on the reappointment or dismissal or retendering of the external auditor, and their remuneration
31. to seek assurance that the risks identified are those which may occur, for example, operational risk, financial risk, compliance risk, regulatory and legal risk, major accident
32. review the ratings and responses on the risk register to inform contingency and business continuity planning and the programme of work, ensuring risks and control measures are adequately identified and modified as appropriate
33. the full trust board must be informed of any emerging risks or significant anomalies at the earliest opportunity
34. agree a programme of work annually to deliver internal scrutiny that provides coverage across the year
35. agree who will perform the work
36. consider reports at each meeting from those carrying out the programme of internal scrutiny
37. consider progress in addressing recommendations
38. recommend to members the appointment of an external auditor (in accordance with the trust's articles of association)
39. receive the external auditors' annual plan, annual report, and accounts and recommend appropriate actions to the trust board in response to the findings
40. to review the trust's insurance cover in compliance with its legal obligations